

Reorganization Plan and Report

Submitted Pursuant to
Section 1601 of the
Foreign Affairs Reform and
Restructuring Act of 1998, as
Contained in Public Law 105-277



Revised, March 1999

Foreword

The *Foreign Affairs Reform and Restructuring Act of 1998* provides the authority to implement the Administration's plan to reorganize and strengthen the foreign affairs agencies. This initiative, which the President announced on April 18, 1997, emerged from productive consultations with the Congress and enjoys bipartisan support. Under the leadership of Vice President Gore, the Reorganization Plan and Report being submitted today were designed with careful attention to preserve the unparalleled capabilities and skills of the foreign affairs agencies and their personnel. Reorganization enhances the ability of the United States to meet the international challenges of the next century by placing arms control and nonproliferation, public diplomacy, and sustainable development at the heart of our foreign policy. The Administration will work closely and cooperatively with the Congress to implement this integration.

This Reorganization Plan and Report, developed through the cooperative efforts of the Department of State, the Arms Control and Disarmament Agency, the United States Information Agency, and the United States Agency for International Development, describe how reorganization will be implemented. As a result, U.S. foreign policy will benefit in a number of important ways:

- Integrating ACDA into State will better combine its unique negotiating, verification, and technical expertise with State's broad diplomatic expertise and regional experience so as to strengthen policies on arms control, nonproliferation, and other political-military affairs. Integration will also establish a structure within State that will preserve unique arms control and nonproliferation perspectives.
- Integrating USIA and bringing public diplomacy insights into play sooner will result in more effective policies that are persuasive to foreign audiences. The infusion of USIA's strategic approach to public diplomacy, open style, close ties with non-governmental organizations (NGOs), technology for open communications, and skillful Internet use will make U.S. foreign policy more agile.

- The strengthened State-USAID tie will enhance the cohesiveness of our foreign policy and sustainable development and humanitarian programs, which promote reform and conflict resolution and help vulnerable people in many areas of the world.
- The integration of policy support and management functions will create possible streamlining opportunities.

The human dimension of reorganization is vital. Specific positions are being identified for every employee who will be transferred. There are no plans for a reduction-in-force, although over time integration will yield efficiencies as well as improve effectiveness. The Act gives the Secretary of State the flexibility needed to align people and positions most effectively.

As integration advances, State will continue intensive efforts to reinvent itself. Integration offers more scope for this and widens the circle of opportunity to restructure and adopt best practices. State has already taken some important steps. The Under Secretaries have assumed responsibility as State's Corporate Board, chaired by the Deputy Secretary. Performance Planning has been redesigned greatly to enhance the alignment of strategy and resources.

Finally, increased efficiency is very important, but is not, by itself, enough to assure U.S. leadership in the world. For this, the foreign affairs agencies must have the wherewithal to meet growing responsibilities and take full advantage of new opportunities. American strength today results from our predecessors' bold decisions and timely investments, beginning with Lend Lease and the Marshall Plan. The Administration's plan does not propose anything this expensive, but we have to do better in order to seize the initiative. Embassy bombings in East Africa, the international financial crisis, instability in the Middle East, Kosovo, and Russia, and risks that nuclear, biological, and chemical weapons will proliferate show how the world remains dangerous and uncertain. Therefore, it is vital that our country has the resources it needs for a strong foreign policy that serves America's interests.

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Reorganization Plan

Section 1. Status of Agencies.

(a) **Arms Control and Disarmament Agency.** Effective April 1, 1999, the Arms Control and Disarmament Agency shall be abolished in accordance with the Foreign Affairs Agencies Consolidation Act of 1998 (the "Act"), Subdivision A, Foreign Affairs Reform and Restructuring Act of 1998, as contained in Division G of Pub. Law 105-277.

(b) **International Development and Cooperation Agency.** Effective April 1, 1999, the International Development and Cooperation Agency shall be abolished in accordance with the Act.

(c) **United States Information Agency.** Effective October 1, 1999, the United States Information Agency shall be abolished in accordance with the Act.

(d) **United States Agency for International Development.** Effective April 1, 1999, the United States Agency for International Development shall continue as an independent establishment in the Executive Branch.

Section 2. Transfer of Functions.

(a) **Arms Control and Disarmament Agency.** Effective April 1, 1999, all functions and authorities of the Arms Control and Disarmament Agency shall be transferred to the Secretary of State in accordance with title XII of the Act.

(b) **International Development and Cooperation Agency.** Effective April 1, 1999, functions and authorities of the International Development and Cooperation Agency shall be transferred to the Secretary of State in accordance with title XIV of the Act.

(c) **United States Agency for International Development.** Effective no later than April 1, 1999, the following functions of the United States Agency for International Development shall be transferred to the Secretary of State in accordance with title XV of the Act:

- (1) functions related to the Press Office; and
- (2) functions related to retirement counseling and processing, location of headquarters mainframe computer

operations, storage of employees' household goods and other transportation and storage services, and such other functions as the United States Agency for International Development and the Department of State may agree.

The transfer of functions provided for in paragraph (2) shall be through memoranda of understanding between the United States Agency for International Development and the Department of State.

(d) United States Information Agency. Effective October 1, 1999, all functions of the United States Information Agency, except those transferred to the Broadcasting Board of Governors under subsection (e) of this section, shall be transferred to the Secretary of State in accordance with title XIII of the Act, including functions associated with the Bureau of Information, the Bureau of Educational and Cultural Affairs, the Office of Research and Media Reaction, and Worldnet interactive dialogues and other similar overseas public diplomacy programs.

(e) Broadcasting Board of Governors. Effective October 1, 1999, functions of the United States Information Agency related to international broadcasting shall be transferred to the Broadcasting Board of Governors in accordance with title XIII of the Act, including functions associated with the International Broadcasting Bureau, the Voice of America, Radio and TV Marti, Radio Free Europe/Radio Liberty, and Radio Free Asia, but excluding Worldnet interactive dialogues and similar overseas public diplomacy programs.

Section 3. Transfer of Personnel.

Personnel of the Arms Control and Disarmament Agency, the United States Agency for International Development, and the United States Information Agency shall be transferred to the Department of State and the Broadcasting Board of Governors in accordance with the Act and this Plan.

Section 4. Transfer and Allocation of Funds.

(a) Arms Control and Disarmament Agency. Effective April 1, 1999, the current and expired accounts of the Arms Control and Disarmament Agency shall become separate accounts of the Department of State. Funds currently available in the current year account shall be available for obligation and expenditure for purposes authorized by law. Funds in expired accounts shall continue to be available for adjustment and liquidation of obligations until such

accounts are closed as required by law, at which time any remaining funds shall be returned to the General Fund of the U.S. Treasury.

(b) United States Agency for International Development.

Effective no later than April 1, 1999, unobligated current year funds associated with the functions described in section 2(c)(1) of this Plan shall be transferred to the Secretary of State for appropriate allocation. Unliquidated obligations and related budget authority associated with such functions shall not be transferred. Funds associated with the functions described in section 2(c)(2) shall be transferred to the Department of State in accordance with memoranda of understanding between the United States Agency for International Development and the Department of State.

(c) United States Information Agency. Effective October 1, 1999, funds appropriated to the United States Information Agency shall be transferred and allocated as follows:

(1) International Information Programs Accounts.

Expired International Information Program Accounts shall become separate accounts of the Department of State. Funds in expired accounts shall continue to be available for adjustment and liquidation of obligations until such accounts are closed as required by law, at which time any remaining funds shall be returned to the General Fund of the U.S. Treasury. Funds that remain available for obligation and expenditure in an International Information Programs account shall be transferred to the Secretary of State for appropriate allocation, except that such amounts as are associated with international broadcasting functions described in section 2(e) of this Plan shall be transferred to the Broadcasting Board of Governors for appropriate allocation. Funds that are deobligated and remain available for obligation and expenditure shall likewise be transferred to the Secretary of State and the Broadcasting Board of Governors for appropriate allocation.

(2) Technology Fund. Funds that remain available for obligation and expenditure in the Technology Fund shall be transferred to the Secretary of State as a separate account for appropriate allocation, except that such funds associated with international broadcasting functions described in section 2(e) of this Plan shall be transferred to the Broadcasting Board of Governors for appropriate allocation.

Unliquidated obligations and related budget authority shall be transferred to the same account and shall continue to be available for adjustment and liquidation. Funds that are deobligated and remain available for obligation and expenditure shall be transferred to the Secretary of State and the Broadcasting Board of Governors for appropriate allocation.

(3) Foreign Service National Separation Liability Trust Fund. Funds that remain available for obligation and expenditure in the United States Information Agency Foreign Service National Separation Liability Trust Fund shall be transferred to the Department of State's Foreign Service National Separation Liability Trust Fund, except that such funds associated with international broadcasting functions described in section 2(e) of this Plan shall be transferred to the Broadcasting Board of Governors Foreign Service National Separation Liability Trust Fund. Unliquidated obligations and related budget authority shall continue to be available for adjustment and liquidation in a separate account of the Department of State, except that unliquidated obligations and related budget authority associated with international broadcasting functions described in section 2(e) of this Plan shall be transferred to the Broadcasting Board of Governors Foreign Service National Separation Liability Trust Fund.

(4) Buying Power Maintenance Account. All amounts in the United States Information Agency Buying Power Maintenance Account shall be transferred to the Department of State's Buying Power Maintenance Account, except for amounts associated with international broadcasting functions described in section 2(e) of this Plan, which shall be transferred to the Broadcasting Board of Governors Buying Power Maintenance Account.

(5) Suspense Deposits Abroad. The United States Information Agency Suspense Deposits Abroad account shall become a separate account of the Department of State. All amounts identified and validated shall be transferred to the Department of State's Suspense Deposit Abroad account, except for amounts associated with international broadcasting functions described in section 2(e) of this Plan, which shall be transferred to the Broadcasting Board of Governors Suspense Deposit Abroad Account.

(6) United States Information Agency Trust Funds Account. The United States Information Agency Trust Funds Account shall become a separate account of the Department of State. Funds currently available in this account shall be available for obligation and expenditure for purposes authorized by law, except that funds associated with international broadcasting functions described in section 2(e) of this Plan shall be transferred to the Broadcasting Board of Governors Trust Funds Account. Unliquidated obligations and related budget authority shall continue to be available for adjustment and liquidation, except that unliquidated obligations and related budget authority associated with international broadcasting functions described in section 2(e) of this Plan shall be transferred to the Broadcasting Board of Governors Trust Funds Account.

(7) Other Active Accounts. The following accounts shall become separate accounts of the Department of State: East-West Center, North/South Center, Educational and Cultural Exchange, National Endowment for Democracy, American Studies Endowment Fund, Israeli Arab Scholarship Fund, Eastern Europe Student Exchange, Russian Far East Technical Assistance, and United States Information Agency Office of the Inspector General. Funds currently available in these accounts shall be available for obligation and expenditure for purposes authorized by law. Funds in expired accounts shall continue to be available for adjustment and liquidation of obligations until such accounts are closed as required by law, at which time any remaining funds shall be returned to the General Fund of the U.S. Treasury.

(8) Transfer to the Broadcasting Board of Governors. In addition to the accounts otherwise referred to in this subsection, the following accounts shall be transferred to the Broadcasting Board of Governors: Radio Construction, International Broadcasting Operation, Broadcasting to Cuba, Radio Free Asia, Israel Radio Relay Station, and certain Grants and Expenses accounts. Funds currently available in these accounts shall be available for obligation and expenditure for purposes authorized by law. Funds in expired accounts shall continue to be available for adjustment and liquidation of obligations until such accounts are closed as required by law, at which time

any remaining funds shall be returned to the General Fund of the U.S. Treasury.

(9) Inactive Accounts. Upon the request of the United States Information Agency, the Department of Treasury shall close all inactive accounts associated with the United States Information Agency. Such closure shall occur on or before September 30, 1999.

(d) **Authority to Reallocate**. Nothing in this section shall be construed as prohibiting the Secretary of State or the Broadcasting Board of Governors from reallocating funds allocated under this section, as appropriate, in accordance with law.

Section 5. Disposition of Property, Facilities, Contracts, Records, and Other Assets and Liabilities

(a) **Arms Control and Disarmament Agency**. All property, facilities, contracts, records and other assets and liabilities of the Arms Control and Disarmament Agency shall be transferred to the Secretary of State for appropriate allocation.

(b) **Certain Functions of the United States Agency for International Development**. All property, facilities, contracts and other assets and liabilities related to the functions transferred pursuant to section 2(c) of this Plan shall be transferred to the Secretary of State for appropriate allocation.

(c) **United States Information Agency**. All property, facilities, contracts and other assets and liabilities related to the functions transferred pursuant to section 2(d) of this Plan shall be transferred to the Secretary of State for appropriate allocation.

(d) **Broadcasting Board of Governors**. All property, facilities, contracts and other assets and liabilities related to the functions transferred pursuant to section 2(e) of this Plan shall be transferred to the Broadcasting Board of Governors for appropriate allocation.

Section 6. Reorganization of the Department of State.

(a) **Under Secretaries of State**. There shall be within the Department of State an Under Secretary of State for Arms

Control and International Security and an Under Secretary of State for Public Diplomacy and Public Affairs.

(b) Senior Adviser for Arms Control, Nonproliferation, and Disarmament. Effective April 1, 1999, the Under Secretary for Arms Control and International Security shall also serve as the Senior Adviser to the President and the Secretary of State on Arms Control, Nonproliferation and Disarmament. Subject to the direction of the President, the Under Secretary may attend and participate in meetings of the National Security Council in his role as Senior Adviser.

(c) Arms Control, Nonproliferation and Verification. Effective April 1, 1999, there shall be within the Department of State a Bureau of Arms Control and a Bureau of Nonproliferation, each of which shall be headed by an Assistant Secretary of State. The position of a Special Adviser for Verification and Compliance shall also be established, who shall report directly to the Under Secretary of State for Arms Control and International Security. Presidential Special Representatives shall report to the Secretary through the appropriate Assistant Secretary, who will provide support for such Special Representatives, and the Under Secretary of State for Arms Control and International Security. A scientific and policy Advisory Board on arms control, nonproliferation and disarmament shall report to the Secretary through the Under Secretary of State for Arms Control and International Security. The Bureau of Political-Military Affairs shall continue as a bureau within the Department of State. The Secretary of State shall allocate personnel and currently available funds allotted to the Department of State's Bureau of Political-Military Affairs to the Bureau of Arms Control and the Bureau of Nonproliferation in an amount appropriate to the transfer of activities to such bureaus.

(d) Public Diplomacy. Effective October 1, 1999, there shall be within the Department of State a Bureau of Educational and Cultural Affairs, which shall be headed by an Assistant Secretary of State. In addition, there shall be an Office of International Information Programs, which shall be headed by a Coordinator for International Information Programs, who shall report directly to the Under Secretary of State for Public Diplomacy and Public Affairs.

(e) Support functions. Budget, administrative, personnel, information technology, security, legislative, legal and other support activities of the Arms Control and Disarmament Agency and the United States Information Agency transferred to the Department of State by the Act shall be

consolidated, as appropriate, with the Department of State's Bureau of Finance and Management Policy, Bureau of Administration, Bureau of Personnel, Bureau of Information Resource Management, Bureau of Diplomatic Security, Bureau of Legislative Affairs, Office of the Legal Adviser and other Department offices.

Section 7. Additional Transitional Matters.

(a) **To the Secretary of State.** Any functions, assets, liabilities, contracts, property, records, facilities and unexpended balances of appropriations, authorizations, allocations or other funds, transferred under the Act to the Secretary of State or the Department of State but not otherwise provided for in this Plan shall be transferred to the Secretary of State for appropriate allocation.

(b) **To the Broadcasting Board of Governors.** Any functions, assets, liabilities, contracts, property, records, facilities and unexpended balances of appropriations, authorizations, allocations or other funds, transferred under the Act to the Broadcasting Board of Governors or its Chairman but not otherwise provided for in this Plan shall be transferred to the Broadcasting Board of Governors for appropriate allocation.

Section 8. Construction and Relationship with Other Laws.

(a) **Construction.** Nothing in this Plan or its accompanying Report shall be construed as derogating from or limiting any authority conferred by the Act on any Department or agency or on the President, the Secretary of State, the Administrator of the United States Agency for International Development, the Broadcasting Board of Governors or its Chairman, the Director of the Office of Management and Budget or any other official, including the authority to request and make incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations and other funds held, used, arising from, available to, or to be made available in connection with functions transferred by the Act.

(b) **Relationship with Other Laws.** Nothing in this Plan or its accompanying Report shall be construed as derogating from or limiting any authority conferred by any other law on any Department or agency or on the President, the Secretary of State, the Administrator of the United States Agency for International Development, the Broadcasting Board of

Governors or its Chairman, the Director of the Office of Management and Budget or any other official, to take appropriate measures, including the authority further to reorganize or to reallocate positions or funds, consistent with any applicable provision of law, including those governing reprogramming and transfer of funds.

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EXECUTIVE SUMMARY

The reorganization of the foreign affairs agencies will preserve and improve U.S. leadership for a new century that will pose new threats and opportunities. The risks posed by chemical, biological, and nuclear weapons may grow as numerous new state and non-state actors, some with interests inimical to our own, try to obtain those weapons. Democracies, citizen organizations, and market structures will become more prominent around the world, and Americans will feel the effects of decisions they make, outside traditional government-to-government channels. As developing countries add to the international economy, environmental and demographic pressures can challenge American prosperity and security, as well as our humanitarian instincts. By integrating our national arms control, nonproliferation, public diplomacy, and sustainable development efforts into a single foreign affairs structure, we will be better able to prepare, prevent, and when necessary respond.

The Administration will work closely and cooperatively with the Congress to implement this historic reorganization. The plan is designed around our greatest strengths -- the abilities and expertise of our dedicated public servants in the foreign affairs agencies and the message America brings to the world. Reorganization will make clear that we are creating an international affairs structure that serves the times by functioning better, faster, more flexibly, and efficiently.

The United States Information Agency (USIA) and the Arms Control and Disarmament Agency (ACDA) will be abolished and integrated into State, the Broadcasting Board of Governors (BBG) will become an independent executive branch entity, and the International Development Cooperation Agency will be eliminated. The Administrator of the United States Agency for International Development (USAID) will be under the direct authority and foreign policy guidance of the Secretary of State, and USAID's press office and certain administrative functions will move to State. About seven thousand USIA personnel -- Foreign Service, Civil Service, and Foreign Service Nationals -- are involved. Nearly three thousand will go to the BBG and the remainder will join State, as will about 250 ACDA and a few USAID employees. Under the provisions of the *Foreign Affairs Reform and Restructuring Act of 1998*, all personnel and positions shall

be transferred to State at the same grade or class, with the same rate of basic pay or basic salary, and with the same tenure held immediately preceding transfer.

Arms Control, Nonproliferation, and International Security

ACDA will be abolished on April 1, 1999. The integrated foreign policy missions of ACDA and State's Political-Military Affairs Bureau (PM) will be under the policy oversight of the Under Secretary for Arms Control and International Security. The Under Secretary will also be Senior Adviser to the President and the Secretary of State on Arms Control, Nonproliferation, and Disarmament. Five current bureaus (four in ACDA and PM) will be reduced to three in State, all under the policy oversight of the Under Secretary. An office reporting directly to the Under Secretary will advise on verification and compliance issues. During the transition period, the Director of ACDA has been "double-hatted" as Acting Under Secretary. Under the Act, a scientific and policy Advisory Board will be established to advise and make recommendations to the Secretary of State on U.S. arms control, nonproliferation, and disarmament policy and activities.

Public Diplomacy and Public Affairs

USIA will be abolished on October 1, 1999. Public diplomacy programs -- designed to understand, inform, and influence foreign audiences -- will be under the direction of a new Under Secretary for Public Diplomacy and Public Affairs who will provide policy oversight over two bureaus and one office.

The Bureau of Educational and Cultural Affairs will be responsible for educational and cultural programs. The current commitment to academic and professional exchange programs will continue unabated. A separate Office of International Information Programs will produce information programs and products tailored for foreign opinion-makers. Its information efforts will focus on foreign audiences in recognition of the intent of Congress to separate overseas public diplomacy efforts from information efforts which inform the press and the American public about foreign policy. The Bureau of Public Affairs will be expanded by incorporating press relations offices of all four foreign affairs agencies and the Foreign Press Centers now operated by USIA. Public diplomacy staffs will be added to State's regional and functional staffs and bureaus.

Consistent with the Act, international broadcasting will remain an essential instrument of U.S. foreign policy. The BBG will be under the foreign policy guidance of the Secretary of State, who will have a seat on the BBG replacing the USIA Director. The Secretary and the Board will, however, respect the professional independence and integrity of the BBG's International Broadcasting Bureau (IBB) and its Voice of America, surrogate broadcasting services, and grantees. In cooperation with USIA and the BBG and IBB, State is developing mechanisms to transfer to the BBG and IBB those funds, resources, and personnel commensurate with administrative and other support they now receive from USIA.

International Development

IDCA will be abolished on April 1, 1999. USAID will be a separate agency, and its Administrator will be under the direct authority and foreign policy guidance of the Secretary of State. To maximize consistency with overall U.S. international affairs priorities, the Secretary will ensure coordination among agencies of the United States Government in carrying out the policies contained in relevant foreign assistance legislation. The Secretary will coordinate development and other economic assistance, and review USAID's strategic plan and annual performance plan, annual budget submission and appeals, and allocations and significant (in terms of policy or money) reprogrammings of development and other economic assistance. In this context, the Secretary will delegate or re-delegate to USAID the functions and authorities that USAID needs to carry out its mission. Under the direct authority and foreign policy guidance of the Secretary, the Administrator will create development policy, implement development and other economic assistance programs, and manage and administer assistance programs. State and USAID will establish more mechanisms for consultation and coordination. The International Cooperative Administrative Support Services (ICASS) system will be the basis for shared administrative services for USAID missions overseas.

Policy Support and Management Functions

- **Legal Affairs** -- ACDA's and much of USIA's legal staffs will join State's Legal Adviser's Office. The Legal Adviser will be assisted by a new Associate Legal Adviser, whose portfolio will be devoted primarily to arms control and nonproliferation issues, and an Assistant Legal Adviser for Public Diplomacy.

- **Congressional Liaison** -- Units of ACDA and USIA will join State's Bureau of Legislative Affairs, providing new senior policy advisers.
- **Press and Public Affairs** -- Press relations staffs from all four agencies will be drawn together under the Bureau of Public Affairs, which will be responsible for issuing all press statements and press releases for State and USAID.
- **Management** -ACDA's and USIA's central management functions will be integrated in units under the oversight of the Under Secretary of State for Management. These functions include information resource management, overseas facilities and operations, domestic facilities, logistics, diplomatic security, financial management, grants, human resources, and training.
- **Executive Offices** -- At the bureau level the new administrative units will be similar to current State models.

State Reinvention

Reinvention of State will be accelerated and bolstered by new talents, strengths, and assets acquired through enhanced integration of foreign affairs agencies. State has already taken significant reinvention steps:

- The Under Secretaries have assumed responsibility as the Corporate Board, meeting weekly under the chair of the Deputy Secretary to address major cross-cutting issues and conduct strategic planning.
- Performance Planning has been redesigned to align strategy and resources better under the International Affairs and State Strategic Plans.
- State's Overseas Staffing Model is helping prioritize and define staffing levels for the next century at our missions in the field.
- State has revitalized capital planning for facilities and investment in information systems, two critical but high-cost areas.
- State has consolidated its information technology (IT) professionals into a new Bureau of Information Resource Management under the leadership of the Chief Information Officer, creating a strong focus on IT issues and modernization.
- State has developed and implemented the International Cooperative Administrative Support Service (ICASS), a

transparent system which maximizes shared administrative services for agencies abroad. ICASS uses the concept of best practices and considers the cost and quality of services.

- State has reengineered its logistics system and built a nimble structure which delivers improved responsiveness and customer service, incorporates electronic commerce and features an Internet acquisition website, with information on procurement opportunities at State's installations worldwide.
- State has created a new Bureau of Western Hemispheric Affairs, by moving Canada into the former Bureau of Inter-American Affairs. This change emphasizes the importance of NAFTA and is an example of our strengthened policy focus on economics and global issues.

But this is only the beginning. Bringing together the talented professionals of State, USIA, and ACDA in a single organization will afford opportunities for further reinvention. The Administration will be examining steps to better integrate related activities now conducted in several places in State and USAID, and to otherwise improve our ability to deal with both traditional and new problems.

I. The Department of State

The plan to reorganize the foreign affairs agencies called for a foreign policy apparatus to meet the demands of a new era in international relations. The structure proposed for State reflects this mandate. It was designed with careful attention to the Vice President's anticipation that reorganization preserve the unique skills and capabilities of all foreign affairs agencies and their personnel. The design strengthens the arms control, nonproliferation, and political-military missions, and more closely integrates public diplomacy and assistance activities into overall U.S. foreign policy and the conduct of diplomatic relations. It puts missions and resources into a more unified structure.

How Reorganization Makes U.S. Foreign Policy Stronger

Reorganization of the foreign affairs agencies will strengthen our ability to achieve U.S. international affairs goals. Integrating the mission, programs, and personnel of USIA will bring public diplomacy to the core of foreign policy, yielding a stronger capability to understand, inform, and influence foreign publics and policy-makers. USIA's public diplomacy and communications professionals will infuse State with their own sophisticated information management skills and media tools. When public diplomacy perspectives come into play from the outset as policy is formulated, U.S. policy articulation will be clearer and more persuasive to foreign publics and governments.

Integration of arms control, nonproliferation, and disarmament functions with international security assistance activities will complement the activities of each and strengthen the effectiveness of the whole. Consistent with our objective to ensure a strengthened role for arms control and nonproliferation at State, the lead for all new negotiations on these issues and related policy development and backstopping will reside in the functional bureaus. The Secretary of State will be better able to assess treaty verification and compliance, lead the interagency nonproliferation process, and play an enhanced role in the arms control interagency process. State will also be better able to contribute to the coordination of foreign and defense policy and deploy more effectively the broad tools of diplomacy to promote arms control and nonproliferation.

The new structure will bring greater focus to priority defense policy issues -- preventing the proliferation of weapons of mass destruction and overseeing the transfer and control of conventional arms and technologies.

What State Will Look Like

The movement of boxes on organization charts is less important than the impact on mission, but State will look different. The incorporation of USIA and ACDA functions will add one new Under Secretary and greatly expand the portfolio and reporting structure of another. It will consolidate six bureaus from two agencies into three State bureaus and one major office. Integration will join more than 4,000 skilled American and Foreign Service National personnel, including public diplomacy experts, communications and media specialists, treaty negotiators, nonproliferation experts, and verification analysts, with colleagues at State. All full-time permanent positions from ACDA and USIA (except for those associated with the Broadcasting Board of Governors) and eight USAID positions will be transferred to State. Also to be transferred are all part-time, intermittent, and temporary positions and the full range of program and support funding.

A new Under Secretary of State for Public Diplomacy and Public Affairs will exercise policy oversight for the Bureau of Educational and Cultural Affairs, the Office of International Information Programs, and the Bureau of Public Affairs.

The Bureau of Educational and Cultural Affairs will be responsible for exchange and academic programs. The Office of International Information Programs will produce information programs and products tailored to influence foreign opinion makers. This Office will focus on programs and products for foreign audiences in recognition of the intent of Congress to separate overseas public diplomacy efforts from information efforts which inform the press and the American public about foreign policy. State's Bureau of Public Affairs will be expanded by incorporating the press relations offices of all four foreign affairs agencies and the Foreign Press Centers now operated by USIA. USAID will retain its non-press public affairs functions. The Bureau will continue to inform domestic audiences and the press about U.S. foreign affairs activities. It will also continue to sponsor outreach and domestic speakers programs to engage the American public on foreign policy issues. State's regional and functional staffs and bureaus will acquire public diplomacy staffs. Regional bureaus will

assume oversight responsibility for field public diplomacy operations.

The addition of ACDA's arms control, nonproliferation, disarmament, and verification functions will strengthen the role of the transformed Under Secretary for Arms Control and International Security, enhancing State's capabilities in international security matters. The Under Secretary will also serve as Senior Adviser to the President and the Secretary of State on Arms Control, Nonproliferation, and Disarmament. State will integrate the operations of the Bureau of Political-Military Affairs (PM) with those of ACDA. The Under Secretary will provide policy oversight for three bureaus.

- The Bureau of Arms Control will be responsible for international agreements on conventional, chemical/biological, and strategic forces, treaty verification and compliance, and supporting ongoing negotiations, policy-making, and interagency implementation efforts. The Bureau will have an enhanced role in the NSC-chaired arms control interagency policy process.
- The Bureau of Nonproliferation will lead efforts to halt the spread of nuclear, chemical, biological, and conventional weapons and missiles capable of delivering weapons of mass destruction, secure nuclear materials in the New Independent States of the former Soviet Union, and promote protection of nuclear materials worldwide. The Bureau will have primary responsibility for leadership in the interagency policy process for nonproliferation issues.
- The Bureau of Political-Military Affairs will retain most of its current international security policy and operational functions. It will be responsible for issues relating to security assistance, arms transfers, defense trade controls, and political-military and defense cooperation in critical infrastructure protection, contingency planning, crisis management, and peacekeeping. The Assistant Secretary for Political-Military Affairs will contribute significantly to stronger State efforts on regional security issues and better articulation of State's views on defense policies with foreign policy implications.
- A Special Adviser reporting directly to the Under Secretary will advise on verification and compliance issues and prepare compliance reports to Congress.

After two years, all regional and functional staff and bureau configurations will be reviewed to determine whether the present structure remains the best one.

What will not change in State as it incorporates elements of USIA and ACDA into Congressional, legal, press, and management operations is the quality of these critical functions. The Secretary of State will continue to receive top-notch legal advice, but this advice will support a broader programmatic mandate. She will still be supported on Capitol Hill by legislative experts, but they will represent an expanded portfolio of policy interests. The spectrum of management support operations will continue, but with newly integrated resources, facilities, and efficiencies.

State will have a closer relationship to USAID. The International Development Cooperation Agency will be abolished, and the USAID Administrator will be under the direct authority and foreign policy guidance of the Secretary of State. In this context, the Secretary will review USAID's strategic plan and annual performance plan, annual budget submission and appeals, and allocations and significant reprogrammings of development and other economic assistance. The two agencies will expand shared administrative functions.

Our posts and missions abroad will be even more integrated than now. Public Affairs Officers will become embassy and mission section heads. ACDA overseas administrative units will be integrated with embassy and mission administrative sections. USAID budgeting and planning at overseas missions will be consistent with overall Mission Performance Plans, and the Chief of Mission will approve the USAID mission's country assistance strategy and assessment of program performance and request for resources. State and USAID will utilize the International Cooperative Administrative Support Service (ICASS) system to maximize shared administrative services consistent with its goals of quality and cost-effectiveness.

People - Our Greatest Asset

State will offer more career opportunities to both the Civil Service and the Foreign Service. Civil Service employees will be able to compete for positions among a wider field of career possibilities, the breadth of which will particularly benefit former ACDA and USIA employees. In keeping with the changing requirements of international affairs in the 21st

century, State will offer more opportunities for retraining and upgrading skills.

USIA brings to State an innovative system for career development and training for Civil Service employees. For State to reach its potential, greater personnel flexibility and opportunities for overseas tours for Civil Service employees will be essential. State Foreign Service personnel will benefit from the opportunity to bid on and serve in new positions in arms control, nonproliferation, and public diplomacy -- acquiring needed skills in these fields, which are so essential to modern diplomacy. The merger of USIA into State will bring about a fifth Foreign Service career cone - public diplomacy. Public diplomacy officers will be able to bid on Washington assignments which include public diplomacy and public affairs positions in the regional and functional bureaus, as well as assignments in other cones. USIA executive officers will become administrative officers in State and be able to bid on all administrative assignments as well as on assignments in other cones. New access to multi-functional assignments will give these officers opportunities for advancement to a wider range of senior positions, and give officers in other cones more exposure to public diplomacy and communications skills needed in the age of information.

Collectively, all State elements must focus more on training our foreign national colleagues, who make such important contributions to our overall efforts abroad.

Reorganization and Reinvention

Reorganization will streamline administrative and management operations and lead to greater efficiencies while building on the diverse strengths of the merging organizations and their employees. Prior to ICASS, independent agencies operating at the same posts overseas inevitably brought a degree of redundancy to their administrative functions. Important operating efficiencies have been achieved through ICASS. At home, State will achieve efficiencies by merging State and USIA administrative systems in such areas as payroll and accounting. Over time, other systems and especially communications technology will be merged. For example, USIA will bring to State a strong technical capacity for open communications, greater Internet access, and other communications tools that will complement State's extensive secure communications network.

Reinvention at State will be accelerated and bolstered by integration as new talents, strengths and assets are brought

in, affording more opportunities for reinvention. State will also initiate new reinvention efforts building on the strengths which come from integration. State has already taken a number of steps which reflect its strong emphasis on improving effectiveness and building a firmer foundation for effective integration; these are detailed in Chapter VIII.

II. The Arms Control, Nonproliferation, and International Security Mission

What Will Happen to the U.S. Arms Control and Disarmament Agency (ACDA)

Current Responsibilities

ACDA's mission is to strengthen national security by formulating, advocating, negotiating, implementing, and verifying effective arms control, nonproliferation, and disarmament policies, strategies, and agreements. ACDA also ensures that arms control concerns are fully integrated into the development and conduct of U.S. national security policy. In addition, ACDA's Director functions as the principal adviser to the President, the National Security Adviser, and the Secretary of State on arms control, nonproliferation and disarmament matters.

ACDA's four bureaus have specialized expertise and responsibility in the following areas:

- **Intelligence, Verification, and Information Management --** Covers the full panoply of arms control intelligence, verification, compliance, and technology issues.
- **Multilateral Affairs --** Develops U.S. policy, strategy, and tactics for multilateral negotiations and implementation, including the Chemical and Biological Weapons Conventions, the Comprehensive Nuclear Test Ban Treaty, and the Fissile Material Cutoff Treaty; staffs and backstops these efforts, and leads ACDA efforts on conventional arms control in Europe.
- **Nonproliferation and Regional Arms Control --** Develops and implements policies for nonproliferation of nuclear, chemical, biological, and conventional weapons and missile delivery systems, export controls for related U.S. products, and regional arms control measures.
- **Strategic and Eurasian Affairs --** Leads U.S. efforts in nuclear arms control with the New Independent States (NIS) of the former Soviet Union and China, including the

Strategic Arms Reduction (START) I and II, and negotiations on future reductions, Intermediate-Range Nuclear Forces (INF), and Anti-Ballistic Missile (ABM) treaties.

The Under Secretary for Arms Control and International Security Affairs (T) provides policy oversight of and coordinates arms control, nonproliferation, and security assistance policy for State. The Bureau of Political-Military Affairs (PM) is responsible for formulating and implementing policies on such national security issues as nonproliferation of weapons of mass destruction and missile technology, nuclear and conventional arms control, arms export controls, and regional security assistance programs and initiatives. PM also acts as State's primary liaison with the Department of Defense on security assistance issues and on the implications of U.S. foreign policy.

Personnel

ACDA currently has 245 full-time permanent positions, 48 reimbursable positions, and three non-reimbursable ones.

Within State, PM has 262 full-time permanent positions and 29 non-reimbursable ones. The Under Secretary's office has a staff of nine full-time permanent positions.

Key Issues Considered

The security issues facing America today are quite different from those of 10 years ago. The macro issues include:

- **Nonproliferation** -- Nonproliferation of dangerous weapons and technologies, encompassing weapons of mass destruction and advanced conventional weapons and delivery systems, has high priority. Decades of work have put norms and regimes in place, but much work with problem states lies ahead. Integrating the assets of ACDA and State will help implement international structures already in place and address current proliferation challenges.
- **Critical Infrastructure Protection** -- Safeguarding the nation's critical infrastructure from a new category of threats to national security posed by and to interconnected information systems is emerging as a key issue. Along with countering the smuggling of nuclear materials, critical infrastructure protection (CIP) involves coordination with domestic as well as defense agencies and other countries. Under the new structure,

we will be equipped to address this growing security problem by increasing and consolidating our resources devoted to it.

- **Force Reduction** -- Reducing forces is also a priority. Major negotiations are anticipated on START III and are underway on the adaptation of the Conventional Armed Forces in Europe (CFE) treaty. A large number of existing agreements need to be implemented.
- **Defense Policy** -- When military force is used in support of diplomacy, State plays a major role in shaping defense policies that have major foreign policy implications. The new structure reallocates resources for this function and makes it a primary role of PM.
- **Monetary Incentives** -- These have become increasingly important in today's diplomacy. Nunn-Lugar assistance, which helps the NIS countries decommission weapons and convert from military to peacetime industries, is a creative way to advance foreign policy goals, in this case with Department of Defense funds. State should have the capability to participate actively in long-term planning and current programming to support optimum use of funds to promote arms control objectives.

Proposed Integration into State

Under the guidelines set out in the Vice President's plan, integrating ACDA into State will preserve and strengthen the effectiveness of the arms control, nonproliferation, disarmament, and security assistance functions. After considering a wide range of possible groupings, a streamlined structure was chosen that will reduce the number of bureaus in the two agencies from five to three and cut the number of executive-level Presidential appointees from eight to four. To increase efficiency and facilitate allocation of resources, a single administrative office will be established to support the three bureaus. The role of each new unit will be as follows.

Under Secretary

On April 18, 1997, the President announced that the ACDA Director would be double-hatted as the Under Secretary for Arms Control and International Security and then the two positions will be merged as Under Secretary/Senior Adviser to the President and Secretary of State, who will be able to communicate with the President through the Secretary of State. In the capacity of Senior Adviser, the Under

Secretary will attend and participate, at the direction of the President, in NSC and its subordinate meetings (Presidential Decision Directive 65). The office will have 13 full-time permanent positions (four from ACDA and nine from State). The Under Secretary will exercise policy oversight for three bureaus: Arms Control, Nonproliferation, and Political-Military Affairs.

Special representatives and envoys now reporting to the ACDA Director will be supported by the relevant Assistant Secretary and report to this Assistant Secretary and the Under Secretary.

A new scientific and policy Advisory Board on arms control, nonproliferation and disarmament, authorized by the *Foreign Affairs Reform and Restructuring Act of 1998*, will report to the Secretary through the Under Secretary, who will maintain operational authority over the Board, including designation of members and staff (two full-time permanent positions from ACDA).

The verification and compliance function will be managed through both an oversight unit and a staff support unit. A Special Adviser for Verification and Compliance, with a staff of six full-time permanent positions and one reimbursable position, all from ACDA, will report directly to the Under Secretary on critical verification and compliance issues and prepare compliance reports to Congress. Thus the Under Secretary will receive verification and compliance assessments independent of the bureaus responsible for negotiating and implementing agreements. In addition, a larger group of verification and compliance specialists in the Bureau of Arms Control will provide policy, technical, and analytical support

Additionally, four positions (two full-time permanent, one reimbursable, and one non-reimbursable - all from ACDA) will move to the Bureau of Intelligence and Research to provide direct intelligence support as well as a robust interface with the Intelligence Community.

Political-Military Affairs Bureau

The Political-Military Affairs Bureau will support the Secretary and the Under Secretary in playing a larger role in security and defense policy. It will provide analytical support for the Secretary and the Under Secretary on defense-related foreign policy issues, contribute to the coordination of peacekeeping and other military operations, and assume greater responsibilities with regard to crisis

management. The Bureau will be responsible for a cluster of issues involving arms transfers and defense trade controls, and political-military and defense cooperation in critical infrastructure protection, and will support the Under Secretary in coordinating security assistance. The Assistant Secretary for Political-Military Affairs will contribute to a stronger State effort on regional security issues and give State a more informed voice on defense policies with major foreign policy implications.

The Bureau will have 142 full-time permanent positions (nine from ACDA and 133 from PM), one reimbursable position (from ACDA), and 23 non-reimbursable ones (all from PM.)

Arms Control Bureau

The Arms Control Bureau will support the Secretary and the Under Secretary in leading efforts to negotiate new agreements, primarily START III and other future strategic arms control agreements, and negotiating efforts in the Conference on Disarmament (CD), e.g., fissile material cutoff treaty, ban on the transfer of antipersonnel landmines. It will have the equally important task of implementing a large number of existing agreements, including ABM, INF, START I, START II, CWC, and BWC, and of preparing to implement CTBT. The Bureau will assume the U.S. lead for negotiations and policy development related to Confidence and Security-Building Measures (CSBMs), Open Skies, Dayton Article V negotiations, verification and information for European arms control, have responsibilities with respect to CFE Treaty issues, and participate fully in the Task Force on CFE under the Under Secretary.

The Verification and Compliance staff will contribute primarily to ongoing negotiations, technology policy coordination, policy analysis, information management, arms control efforts relative to critical infrastructure protection, and interagency implementation efforts.

Consistent with our objective to ensure a strengthened role for arms control and nonproliferation in State, the lead for all negotiations on these issues and related policy development and backstopping will reside in the new functional bureaus. But, because of the sensitive stage of current negotiations on CFE and directly related CSBMs, these negotiations will temporarily continue to be handled under existing arrangements with the regional bureaus, under the direction of the Under Secretary, along with a Special Representative and Task Force under the Under Secretary's leadership, established for policy direction and

coordination with all relevant bureaus and offices. This arrangement will be reviewed in 1999 with a view to consolidating the lead in the Arms Control Bureau at the earliest practicable date.

The Bureau will have 144 full-time permanent positions (109 from ACDA and 35 from PM), 37 reimbursable positions (all from ACDA), and four non-reimbursable ones (two from PM and two from ACDA).

Nonproliferation Bureau

One goal of integrating ACDA and State is to give new emphasis to a broad range of efforts to curb proliferation of dangerous weapons and delivery systems. The Nonproliferation Bureau's role is to do this, including by supporting the Secretary and the Under Secretary in leading the nonproliferation interagency policy process.

The Bureau will be responsible for nuclear nonproliferation, e.g., supporting the International Atomic Energy Agency (IAEA), implementing the Nuclear Non-Proliferation Treaty (NPT), securing nuclear materials in the NIS, disposing of stockpiles of fissile materials, advancing civil nuclear cooperation under safe and sound conditions, and promoting effective protection, control, and accounting of nuclear material worldwide. It will press for nonproliferation of chemical and biological weapons and missiles, and promote restraint in transfers of conventional arms. The Bureau will also pursue regional and bilateral initiatives designed to reduce proliferation pressures and destabilizing arms acquisitions.

As part of the consolidation of activities in ACDA and State, some staff will be shifted in order to expand critical nonproliferation efforts and enhance State's security assistance capabilities.

The Bureau will have 130 full-time permanent positions (48 from ACDA and 82 from PM), six reimbursable positions (all from ACDA), and four non-reimbursable ones (all from PM).

Executive Office

A single Executive Office, reporting to the Assistant Secretary for Nonproliferation, will provide the full range of administrative support services to all three bureaus. It will have 38 full-time permanent positions (26 from ACDA and 12 from PM).

Positive Outcomes

The three-bureau structure will put the Secretary and State in a strong position to:

- Bring foreign policy considerations to bear on defense issues;
- Negotiate, implement, and verify arms control agreements; and
- Pursue effective policies for nonproliferation of dangerous weapons.

This structure will also provide the Under Secretary with effective tools to carry out other elements of the President's decision, including advising the Secretary and the President on arms control, nonproliferation, and disarmament, assessing verification and compliance, leading the nonproliferation interagency process, and playing a stronger role in the interagency arms control process.

The integrated structure is designed to focus more effort on the priority issues of defense-related foreign policy, security assistance, and the transfer and control of conventional arms and technologies.

III. The Public Diplomacy and Public Affairs Missions

We place very high priority on public diplomacy with foreign audiences, and are firmly committed to integrating public diplomacy more fully into foreign policy. Our goal is to strengthen public diplomacy through its integration into the policy process. Negotiations on such issues as NATO enlargement, Iraqi sanctions, and global climate change show the value of being proactive in informing and influencing foreign publics, NGOs, and others. These audiences are playing greater roles on international issues as communications improve and pluralism expands. When public diplomacy strategies are applied from the outset as policy is formulated, policy and its articulation will improve and be more persuasive to foreign publics and policy-makers.

What Will Happen to the U.S. Information Agency (USIA)

Current Responsibilities

Public diplomacy promotes U.S. national security and other interests by seeking to understand, inform, and influence foreign publics and policy-makers, and by broadening the dialogue between American citizens and institutions and their counterparts abroad. In comparison, public affairs is the provision of information to the press, the American people, and others about the policies and activities of the U.S. government.

Different aspects of the public diplomacy mission roughly correspond to the role of each of the Agency's current major programmatic elements (current USIA broadcasting functions are enumerated in Chapter IV on International Broadcasting):

- **Bureau of Information (I), Area Offices, and USIS Posts Abroad** -- Inform and seek to influence foreign opinion-makers by presenting U.S. positions on policy issues through a variety of products, including the daily Washington File, expert speakers (in person and in digital video or telepress conferences), Information Resource Centers overseas, electronic journals and Web sites, and print publications.

- **Bureau of Educational and Cultural Affairs (E), Area Offices, and USIS Posts Abroad** -- Broaden long-term dialogue with foreign publics through a variety of person-to-person exchanges, including the Fulbright Program for scholars, teachers, and students; the International Visitors program to bring foreign leaders to the U.S.; Citizen Exchanges efforts to develop international exchange programs through nonprofit American institutions; and programs to affiliate U.S. and foreign academic institutions, advise foreign students about American colleges and universities, foster the teaching abroad of U.S. studies and the English language, and strengthen educational institutions abroad.
- **Office of Research and Media Reaction (R)** -- Seeks to understand foreign publics through opinion polling abroad and, utilizing reporting from USIS posts abroad and other media, to analyze attitudes toward U.S. policies and activities in the foreign media.

Personnel

USIA currently has 6,715 full-time permanent positions, of which 2,689 are engaged in broadcasting activities. The remaining 4,026 consist of 652 Americans and 2,080 Foreign Service Nationals (FSN) overseas, and 1,294 positions in the U.S.

Key Issues Considered

Budget Structure -- Funding for public diplomacy (excluding exchange and academic programs, which have and will continue to have their own appropriations) will be incorporated through increases to existing Congressional appropriations to State for Diplomatic and Consular Programs Abroad, the Security and Maintenance of Buildings Abroad, Representation Allowances, Emergencies in the Diplomatic and Consular Service, and the Capital Investment Fund. In the appropriation for Diplomatic and Consular Programs Abroad, State will separately plan for, identify, and account for public diplomacy resources for programs and products aimed at foreign audiences, and foreign national personnel and other programmatic expenses of public diplomacy sections of embassies and missions abroad and in appropriate offices in State.

Organizational Structures -- We examined ways to promote maximum appropriate synergy of public diplomacy and public affairs activities under the oversight of the new Under Secretary for Public Diplomacy and Public Affairs.

Smith-Mundt and Zorinsky Amendments -- In legislation over the years, Congress has restricted USIA's public diplomacy apparatus from being used to influence U.S. public opinion. The Foreign Relations Authorization Act of 1972 amended the Smith-Mundt Act of 1948 to include a ban on disseminating within the United States any "information about the United States, its people, and its policies" prepared for dissemination abroad. The Zorinsky Amendment added a new prohibition: "no funds authorized to be appropriated to the United States Information Agency shall be used to influence public opinion in the United States, and no program material prepared by the United States Information Agency shall be distributed within the United States." The *Foreign Affairs Reform and Restructuring Act of 1998* (the Act) addresses the application of these restrictions to State, giving it the flexibility to allocate personnel and other resources effectively and efficiently. In integrating USIA, State will observe all applicable legal restrictions.

Consistent with Congressional intent, public diplomacy information efforts will focus on programs and products for foreign audiences. Exchange programs will continue to engage American and foreign participants and organizations under the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays).

Public diplomacy has diplomatic aspects. As an example public diplomacy officers engage foreign audiences with techniques, language skills, and area knowledge not duplicated in domestic public affairs activities. At the same time, much policy content in public diplomacy and public affairs is the same for foreign and domestic audiences, e.g., State's daily press briefings and fact sheets on policy issues. These messages are delivered both to domestic and foreign audiences by many of the same media, e.g., CNN, the World Wide Web, and international wire services. More than half of the journalists whom State serves on a daily basis work for foreign media, and State and USIA web pages can be accessed from anywhere.

Proposed Integration into State

Under Secretary

The Under Secretary for Public Diplomacy and Public Affairs will advise the Secretary on public diplomacy and public affairs and provide policy oversight for the Bureau of Public Affairs; the Bureau of Educational and Cultural Affairs, which will be responsible for exchange and academic programs; and the Office of International Information

Programs, which will produce public diplomacy programs and products tailored to influence foreign opinion-makers. The Under Secretary or his or her designee will also chair the interagency Core Group on international public information (IPI), which will develop and coordinate U.S. public information strategies and activities to address regional and transnational threats and crises. The office will have nine full-time permanent positions, all from USIA.

Bureau of Educational and Cultural Affairs

The bureau will be formed from the staff of USIA's current Bureau of Educational and Cultural Affairs. Additionally, a staff of twelve full-time permanent positions, formerly in the USIA General Counsel's office, will report to the Assistant Secretary and be responsible for exchange visitor program designations; one additional full-time permanent position, responsible for film attestations under the Beirut Convention, will also transfer to the Assistant Secretary's office; as will nine positions involved in grants management that were originally in the USIA central contracts office,.

The Assistant Secretary will also be supported by the continuing efforts of the Cultural Property Advisory Committee and the Fulbright Scholarship Board (three full-time permanent positions).

It will have 286 full-time permanent American positions domestically, plus 11 overseas.

Office of International Information Programs

International information activities will continue to emphasize rapid response, cross-functional teamwork, and field orientation. Thus, the achievements of USIA's innovative Bureau of Information, launched four years ago as a Reinvention Laboratory based on Vice President Gore's National Performance Review and the best practices of private industry, will be maintained and strengthened under the leadership of the Coordinator for International Information Programs.

These public diplomacy products will be available to all bureaus and overseas posts, to provide them with the assistance they need to advance U.S. interests abroad. Public diplomacy programs will be prepared in response both to Washington initiatives and to post needs. Guided by country information, including polling data, and other available information, the assistance provided in these programmatic packages, will enable the field to aggressively

promote our foreign policy goals through world-class information services.

There will be a total of 219 full-time permanent American domestic positions plus 16 overseas American and one FSN, including the former Office of Strategic Communications (six full-time permanent positions and one non-reimbursable position).

Bureau of Public Affairs

The three USIA foreign press center operations and its offices in Washington, New York, and Los Angeles (24 full-time permanent positions) will be transferred to the Bureau of Public Affairs. One position from ACDA's Bureau of Public Affairs will transfer to State's Office of the Historian, located in PA.

BBG personnel who carry out Worldnet TV interactives (12 full-time permanent positions) will be transferred to State's Bureau of Public Affairs, as will the BBG's Foreign Broadcast Support Unit (eight full-time permanent positions). Worldnet TV interactives will continue to promote dialogues with foreign audiences via international satellite programs.

Public Diplomacy in Regional and Functional Staffs and Bureaus

USIA's area offices will integrate where practical and efficient into State's regional bureaus (123 full-time permanent positions), building on the successful European Bureau/Office of West European Affairs model. These will coordinate public diplomacy activities of their respective embassies and missions abroad. Overseas 445 full-time permanent American positions and 1,720 FSN positions will engage in public diplomacy work.

Public diplomacy personnel (initially 25 full-time permanent positions, drawn from USIA's staff, area, and support offices) will be added to State's functional staffs and bureaus. These units will advise on policies from a public diplomacy perspective, and help develop public diplomacy strategies on regional and thematic basis to promote such U.S. national goals in areas such as counter terrorism, narcotics, arms control, and nonproliferation.

Other Public Diplomacy Integration

State's International Affairs Strategic Plan will encompass public diplomacy goals, and respective Bureau and Mission

Performance Plans will reflect targets and projects for each region, country, and functional area.

USIA's Office of Research and Media Reaction will be merged with into the Bureau of Intelligence and Research. We will look to even more sophisticated ways to understand and evaluate trends in foreign opinion. The Office has a public opinion research function (35 full-time permanent positions) and a media reaction division (six full-time permanent positions).

The Bureau of Educational and Cultural Affairs and the Office of International Information Programs will be supported by a single administrative office drawn from existing support positions, plus the transfer of 32 full-time permanent positions from USIA's current Management Bureau, which has been providing support services.

Similar State and USIA information-related support functions will be combined into existing State structures. USIA's print operations and associated support (22 American and 91 foreign national full-time permanent positions) will join State's. Domestic library activities will be combined (two full-time permanent positions.) Efforts to promote U.S. foreign policy on the Internet will be combined and coordinated.

Positive Outcomes

This structure will bring together all elements charged with presenting and interpreting U.S. foreign policy to public audiences. It will give public diplomacy practitioners greater access to the foreign policy formulation process. The new structure will ensure that the policy content of State's domestic and international outreach programs is consistent and coordinated, yet tailored for specific target audiences. It will ensure that all applicable legal requirements are adhered to. And it will strengthen State's Bureau of Public Affairs by increasing its press expertise.

By placing public diplomacy staffs in State's regional and functional staffs and bureaus, the new structure will offer a better integrated mechanism for identifying and acting on priority public diplomacy issues, and coordinating Washington resources with the needs of the field. International broadcasting will preserve its editorial integrity while adding new services and maintaining close ties with State, complementing other U.S. public diplomacy efforts in support of U.S. foreign policy interests.

IV. INTERNATIONAL BROADCASTING

Open communication of ideas and information to the people of the world is a critical element of U.S. foreign policy. The mission of conveying news and information is carried out, in substantial part, by the Voice of America and other U.S. Government-funded international broadcasters.

What Will Happen to the Broadcasting Board of Governors (BBG)

Current Responsibilities

All nonmilitary U.S. Government-funded international broadcasting, including the Voice of America and surrogate broadcasting, is administered through the BBG. It has nine presidentially appointed, Senate-confirmed members, including the USIA Director. The BBG is a self-governing element within USIA, and receives administrative, technical, and management support from other elements of USIA.

Broadcasting seeks to inform and influence foreign publics. The key elements are:

- **International Broadcasting Bureau (IBB)** -- The Voice of America, the Worldnet Television and Film Service, and Radio and TV Marti broadcast international news, commentaries, editorials, roundtable discussions, features and programming about the United States, its people, and its foreign policies. VOA broadcasts more than 900 hours of programming per week in 53 languages, and reaches an estimated 86 million people each week from IBB transmitter stations worldwide and through leased satellite links.
- **BBG Grantees** -- The BBG grantees, including Radio Free Europe/Radio Liberty (which incorporates Radio Free Iraq and the Farsi language service) and Radio Free Asia, broadcast local, regional, and international news and seek to inform and influence foreign publics. The grantees are private, non-profit organizations which receive all of their funding from the BBG.

Personnel

At present, 2,689 full-time permanent employees of USIA are employed directly in broadcasting activities. Additional USIA employees, both domestically and internationally, provide support services to the BBG and its elements. The BBG grantees separately employ broadcast staffs that are not employees of USIA.

Future International Broadcasting

Under the *Foreign Affairs Reform and Restructuring Act of 1998*, the BBG will become an independent federal entity by October 1, 1999. Consistent with the Act, international broadcasting will remain an essential instrument of U.S. foreign policy. The Board (including the Secretary of State, who will be a statutory member of the Board) and State will respect the professional independence and integrity of U.S. international broadcasting.

The Director of the IBB, as mandated by the Act, will organize a coordinating committee to examine and make recommendations to the Board on long-term broadcasting strategies.

Key Issues Considered

The principal issue considered in connection with the pending independence of the BBG was the identification of the support resources of USIA currently used by the BBG and its elements. Under the Act, those activities now in USIA which are dedicated to carrying out the broadcasting function will be located in the BBG when it becomes a separate entity. In addition, the Secretary of State, with the concurrence of the BBG, will transfer to the BBG funds, resources and personnel commensurate with the administrative, management and other support they currently receive from USIA.

Personnel, salaries, operating funds, and equipment commensurate with the support currently provided by USIA to the BBG and the IBB will be transferred in support areas such as administration, technology, legal, marketing, EEO, management, personnel, payroll, accounting, security, and contracting. The transfer will be made on a pro-rata basis using current (FY-99) assets as the baseline. In some cases, the services necessary to support a new, stand-alone agency (including start-up costs) are higher than the services currently provided to the BBG. In these cases, the additional resource requirements will be filled by State's

adjusting the transfer or a reallocation of resources within the BBG. Sixty-six USIA full-time permanent positions, including three from USIA's special complements, will be transferred to the BBG to provide administrative support (48), legal support (seven), program direction (three), FOIA (two), and equal opportunity activities (six). The 48 administrative support positions consist of: four management positions, four budget positions, three personnel positions, two training positions, seven contracting positions, two contracting policy positions, 13 security positions, six information technology positions, 1 general administrative position, two travel and transportation positions, three mail and messenger positions, and one printing position. Twenty-three additional full time permanent positions will shift to State to provide reimbursable support in financial services (20) and declassification (three).

Additionally, five full-time permanent American positions and 30 foreign national ones will be transferred to the BBG to direct and provide placement services for radio and TV material to foreign broadcasters. These American positions will be drawn from USIA's special complements. The foreign national positions will be derived from overseas support positions as they become vacant during integration, and not later than the end of FY-00 (nine have already been identified). Additional placement support will continue to be available for a transition period on a non-reimbursable basis for at least two years.

With respect to transfers from the BBG to State, the BBG will transfer twelve full-time permanent positions directly responsible for producing interactives and providing technical support and the funds associated with the function. The BBG will also transfer the eight full-time permanent positions of the Foreign Broadcast Support Unit (FBSU) to the Foreign Press Centers. The FBSU facilitates the visits of foreign broadcasters to the United States, and this mission is more consistent with State's public affairs mission than with the journalistic mission of the BBG and the IBB.

The Secretary of State will have access to the facilities and services of the BBG television studios and the BBG worldwide satellite capabilities for interactive dialogues as has been past practice. State will be able to use the technical facilities of the BBG on a non-reimbursable basis to broadcast interactive dialogues worldwide. Policy interactive dialogues will become the responsibility of State and continue to be produced from the BBG studios. Some of these interactive dialogues will allow for the

appearance of individuals located at Main State and the Foreign Press Center. The cooperative professionalism that has marked past working relationships will continue in the future.

Positive Outcomes

Pursuant to the Act, the BBG will become an independent federal entity. This provides a "firewall" between State and the broadcasters to ensure the integrity of journalism. The Act thus ensures that the credibility and journalistic integrity of broadcasting will be preserved and enhanced. International broadcasting is, and should remain, an essential important instrument of U.S. foreign policy, by telling America's story and otherwise serving broad American foreign policy objectives. The Secretary of State will provide foreign policy guidance to the BBG.

V. The Development Assistance Mission

What Will Happen to the U.S. Agency for International Development (USAID)

Consistent with the President's decision in April 1997 and the *Foreign Affairs Reform and Restructuring Act of 1998* (the Act), USAID will remain a distinct agency with a separate appropriation. The USAID Administrator will be under the direct authority and foreign policy guidance of the Secretary of State. Under the direction of the President, the Secretary will coordinate all U.S. development and other economic assistance except activities related to export promotion and to international financial institutions and certain other financial assistance. The Act abolishes the International Development Cooperation Agency (IDCA). It requires that USAID integrate its press office and certain administrative functions with State.

Abolition of IDCA and Delegation of Authorities

Several steps will be taken to implement the Act and the President's decision so as to provide for the "direct authority" relationship. In essence, the "dotted" organizational line between USAID and State will be filled in, with the Administrator having most authorities derived by redelegation from the Secretary of State. Under the direct authority and foreign policy guidance of the Secretary, the Administrator will carry out the approved overall assistance and economic cooperation strategy.

In accordance with the Act, Reorganization Plan No. 2 of 1979 -- which established IDCA, with USAID as a component, and granted it primary responsibility for establishing overall development assistance policy and coordinating international development activities supported by the United States -- will cease to be effective as of April 1, 1999. The effective repeal of this Plan and the enactment of conforming amendments contained in the Act returns those functions now vested in IDCA or its director back to USAID or the Secretary of State, as was the case by statute prior to 1979 Plan.

Executive Order 12163, which delegated most Foreign Assistance Act development and other economic assistance-related authorities to IDCA, will be amended to delegate assistance functions vested by law in the President to the Secretary of State, except for those reserved to the President or specifically delegated to another agency. This will be the same framework that existed prior to the establishment of IDCA. The Act also establishes USAID as a U.S. government agency.

To maximize consistency with overall U.S. international affairs priorities, the Secretary of State will coordinate development and other economic assistance. The Secretary will ensure coordination among agencies of the United States Government in carrying out the policies contained in relevant foreign assistance legislation. In keeping with USAID's status as a distinct agency and recognizing that the USAID Administrator is under the Secretary's direct authority and foreign policy guidance, the Secretary will review USAID's strategic plan and annual performance plan, annual budget submission and appeals, and allocations and significant (in terms of policy or money) reprogrammings of development and other economic assistance.

In this context, the Secretary of State will delegate or redelegate to USAID the functions and authorities needed to carry out its mission. These include authorities to:

- Receive apportionments for development and other economic assistance appropriations;
- Create policies for development and other economic assistance programs;
- Implement development and other economic assistance programs; and
- Manage and administer assistance programs, including the requisite personnel authorities.

In carrying out its functions and authorities under the direct authority and foreign policy guidance of the Secretary, USAID will consult as appropriate with State.

State-USAID Policy and Resource Coordination

The leadership of both State and USAID recognize the need for effective coordination consistent with strong accountability and a clear division of responsibility. The

promotion of the sustainable development mission will remain a priority objective of the closer State-USAID relationship at all levels. Broad foreign policy coherence is best assured through strategic planning and resource allocation processes as described in this chapter, which align USAID resources in support of foreign policy priorities and allow the sustainable development mission to be carried out effectively. Under the direct authority and foreign policy guidance of the Secretary, the Administrator will create development policy, implement development and other economic assistance programs, and manage and administer these programs. State and USAID will establish a number of regular mechanisms to enhance consultation and coordination, including in the field, in Washington at the bureau level, and in the relationship of USAID and State activities on global issues. These mechanisms will include:

- **Coordination in Strategic Planning** -- Both State and USAID develop strategic plans in the context of the Government Performance and Results Act (GPRA). State coordinates with USAID in developing the "International Affairs Strategic Plan," and USAID's "Strategic Framework" is coordinated with this Plan.
- **Coordination in Washington** -- Preparation of Bureau Performance Plans at State will involve full consultation with USAID, which will participate in the Secretary's reviews of such Plans and in reviews of Mission Performance Plans (MPPs). Under the direction of the Secretary, other specific coordination mechanisms will be established, including a more structured system for coordination among State and USAID bureaus.
- **Coordination in the Field** -- Close coordination in the field is at the heart of an effective State-USAID relationship. USAID overseas missions will participate actively in the MPP process, and their budgeting and planning will be consistent with MPPs. Chiefs of Mission will approve USAID missions' multi-year country assistance strategies and annual assessments of program performance and requests for resources (R-4), both of which will be consistent with USAID's GPRA-mandated Strategic Plan. The principal USAID official at post is a member of the country team. Unless otherwise provided, the Chief of Mission will have primary responsibility for the annual performance rating of this official, and Chief of Missions and appropriate USAID Assistant Administrators will agree on a specific work plan for the official.

- **Informal and Other Coordination** -- Both agencies' officials will participate in a range of staff meetings, interagency groups, task forces, bi-national commissions, and other international meetings where they will coordinate their activities. Day-to-day exchanges of information and clearance of messages will constitute an important form of coordination. Informal coordination, including frequent telephone calls and "dropping by," will be valuable. These relationships are less visible than formal arrangements, but they play an essential role in identifying early on issues of importance to both institutions.

Coordination of U.S. Assistance

Consistent with the Act, the Secretary of State will exercise new authorities in the coordination of U.S. development and other economic assistance. Coordination activities of the Secretary, under the direction of the President, will include: (1) approving an overall assistance and economic cooperation strategy; (2) ensuring program and policy coordination among USG agencies in carrying out the policies set forth in the Foreign Assistance Act of 1961, the Arms Export Control Act, and other relevant assistance acts; (3) pursuing coordination with other countries and international organizations; and (4) resolving policy, program, and funding disputes among U.S. government agencies. Coordination of activities relating to promotion of exports of U.S. goods and services, however, will continue to be primarily the responsibility of the Secretary of Commerce, and coordination of activities relating to U.S. participation in international financial institutions and organization of multilateral efforts aimed at currency stabilization, currency convertibility, debt reduction, and comprehensive economic reform programs will continue to be primarily the responsibility of the Secretary of the Treasury.

The Secretary of State will establish effective mechanisms to seek to resolve disputes among U.S. government agencies whose activities are covered by the Act. These mechanisms will build on field coordination, including cooperative efforts of all agencies at post to prepare MPPs and align plans of agencies in the field to MPP goals and strategies. In Washington, the Secretary will oversee the coordination of assistance, supported by State-chaired mechanisms at various levels which will involve U.S. government agencies that fund and deliver U.S. assistance.

Due to the need for high-profile interagency coordination at the startup of assistance to Central and Eastern Europe and the New Independent States of the former Soviet Union, the Congress mandated establishment of special Coordinators at State to oversee all development and other economic assistance to these areas. There are close professional relationships and interactions between USAID offices and the offices of the Coordinators. This process has contributed to achieving our objectives in these regions, where U.S. assistance is a critical part of U.S. foreign policy.

USAID already carries out highly effective donor coordination in the field, through international organizations and in contacts with donor governments and NGOs. State, in consultation with USAID, will continue to represent the United States in treaty negotiations on development-related issues. The Administrator, in appropriate coordination with the relevant State bureaus, will continue to be the principal U.S. government contact with development ministers from other donor nations and represent the United States at OECD Development Assistance Committee meetings, development activities of international financial institutions (e.g., World Bank Consultative Group meetings), and United Nations development agencies. State will use its diplomatic mandate in support of development policy to advance U.S. foreign policy interests.

Integration of Press Office and Certain Administrative Functions

On April 1, 1999, USAID's press office will be merged with State's Bureau of Public Affairs, which will be responsible for issuing all USAID press statements and press releases. The eight USAID full-time permanent press relations officers will become State public affairs officers. They will provide full, coordinated media support services to USAID's Administrator, Deputy Administrator, Assistant Administrators, and regional and functional bureaus.

Reorganization will include the consolidation of certain USAID administrative functions with those of State. Three years ago, State and USAID began to consolidate overlapping administrative support functions. A memorandum of understanding between the two agencies specifies four areas for shared services that provide logical, efficient, and effective operations. These services are:

- **Support** -- State will process the retirement of USAID Foreign Service Officers and provide retirement

counseling. USAID now uses the same travel contract as State and has co-located its headquarters mainframe computer operations with State's. The two agencies will implement a number of other small agreements for joint headquarters services.

- **ICASS** -- State and USAID have implemented International Cooperative Administrative Support Service (ICASS) to maximize shared administrative services, using the concept of best practices and considering the cost and quality of services. Requests for exceptions to the use of ICASS as the service provider will be referred to Washington.
- **Training** -- USAID will expand its use of State training services, e.g., foreign language training. State and USAID will also develop professional and technical training programs together to the maximum extent possible.
- **Storage** -- State will accommodate USAID's needs for storage of employees' household goods. The two agencies already share other transportation and storage services.

Additionally:

- **Housing** -- At all overseas locations the two agencies will operate under a unified Housing Board and joint State/USAID regulations will be issued on utilizing a single housing pool for short-term leased units.
- **Security** -- State and USAID will review their security services to determine what further coordination can be achieved.
- **Other Functions** -- State and USAID will continue to explore other efficient ways to coordinate or consolidate as many administrative functions as possible.

VI. Policy Support Functions

A. Under Secretarial Staffs

Current Responsibilities

State's five Under Secretaries (for Political Affairs, Economic, Business, and Agricultural Affairs, Arms Control and International Security Affairs, Management, and Global Affairs) and its Counselor are both advisers to the Secretary and policy makers in their own right on selected issues. They do not have "action" responsibility for policy and program implementation -- this belongs to the Assistant Secretaries who report to them. The Under Secretaries have personal staffs of about a dozen.

ACDA's Office of the Director consists of a Director and Deputy Director; a military liaison officer; a Special Representative who performs Ambassador-at-Large like responsibilities; a Special Representative who serves as the Chief Science Adviser; a Counselor; an advance planning director who also serves as the Executive Director of the Director's Advisory Committee; the agency's EEO supervisory official; and staff support.

USIA's Office of the Director consists of the Offices of the Director, Deputy Director, Counselor, Strategic Communications, and Research and Media Reaction.

Personnel

For the purpose of comparison, the office of State's Under Secretary for Political Affairs consists of 12 full-time permanent positions.

ACDA's Office of the Director has 12 full-time permanent positions and a reimbursable one, not including positions in its Executive Secretariat.

USIA's Office of the Director has 14 full-time permanent positions, not including positions in its Executive Secretariat.

Key Issues Considered

The new Under Secretary for Arms Control and International Security and the new Under Secretary for Public Diplomacy and Public Affairs will advise the Secretary on policy issues that are similar to those they managed as agency heads. However, a number of structural issues require changes in transforming both current Directors' offices into Under Secretarial offices:

- **Size/Structure of Staffs:** ACDA and USIA agency chiefs have larger and more functionally diversified staffs than State's Under Secretaries.
- **Deputies:** ACDA's and USIA's Deputy Directors have no counterparts in an Under Secretary's office.
- **Adjunct Offices:** ACDA's and USIA's adjunct offices were functionally analyzed to determine if they should be located in the new Under Secretaries' offices, established elsewhere in State, or abolished and their functions transferred to other offices in the newly consolidated State.
- **Special Representatives:** A number of arms control special representatives report to the ACDA Director; while in State, special envoys typically report to either the Secretary or an Assistant Secretary.

Proposed Integration into State

ACDA

The office of the new Under Secretary for Arms Control and International Security/Senior Adviser to the President and the Secretary of State for Arms Control, Nonproliferation and Disarmament will be structured along the lines of the current Under Secretary for Arms Control and International Security Affairs with thirteen full-time permanent positions, drawn from the ACDA Director's office (two) and ACDA's Executive Secretariat (two) and the former State Under Secretary's office (nine). Other positions in the Director's office will move elsewhere in the new structure.

The office will take on the new functions of advising the Under Secretary in the role of Senior Adviser to the President and the Secretary of State. The staff will assist the Under Secretary in communicating with the President through the Secretary of State, developing and maintaining senior-level contacts and procedures for rapid interface with other U.S. government agencies, and coordinating the Under Secretary's participation in senior-level interagency

meetings, including NSC and its subordinate meetings (Presidential Decision Directive 65). Because of the unique defense liaison role that the Under Secretary plays, the State senior military advisor will also report to the Under Secretary. Positions from the ACDA Director's immediate office will transfer to the Nonproliferation Bureau (two), the Arms Control Bureau (two), the Political-Military Affairs Bureau (one), the Congressionally authorized Advisory Board (one), the Office of Equal Employment Opportunity and Civil Rights (one), and the Legal Advisor's Office (one).

The Special Adviser for Verification and Compliance will report directly to the Under Secretary on critical verification and compliance issues. Special representatives and envoys reporting to the ACDA Director will report to the appropriate Assistant Secretary and the Under Secretary. The scientific and policy Advisory Board on arms control, nonproliferation and disarmament will report to the Secretary through the Under Secretary, who will maintain operational authority over the Board, including designating its members and staff.

USIA

The office of the new Under Secretary for Public Diplomacy and Public Affairs will be structured similarly to the other Under Secretaries. The Under Secretary will have a staff of nine. Four other positions in the Director's office will move to public diplomacy support units in the functional bureaus, and one position will move to the Office of the Under Secretary for Management. Six of the Office of Strategic Communications full-time permanent positions plus a reimbursable one will move to the Office of International Information Programs to provide analysis and program support; the seventh will transfer to State's Policy Planning Staff. The positions in the Office of Research and Media Reaction will be shifted to the Bureau of Intelligence and Research (41 full-time permanent positions).

Positive Outcomes

- Establishment of new Under Secretaries in State with unique roles reflecting authorities transferred from the ACDA and USIA Directors, thereby strengthening State's policy and programmatic capabilities and their coherence.
- Establishment of a structure within State to ensure that unique arms control and nonproliferation perspectives will continue to be available at the highest levels of the U.S. government, including the President.

- Establishment of an entity which provides independent arms control and nonproliferation verification and compliance assessments.
- Provide oversight for State's new interagency leadership role on nonproliferation.
- Ensure better integration of public diplomacy in international affairs strategic planning, including through the presence of the Under Secretary for Public Diplomacy and Public Affairs on the Corporate Board.

VI. Policy Support Functions

B. Executive Secretariat

Current Responsibilities

State's Executive Secretariat is a distinct organizational entity. The Executive Secretariat equivalents at USIA and ACDA are both situated within their Directors' offices.

State's Executive Secretariat (S/S) manages, coordinates, tracks and records the information and work flows among the Secretary of State, other State principals, and bureaus within State; and between State and the interagency community. It is State's principal tasking organization, particularly in overseeing the preparation of briefing materials for State principals and assigning actions. It takes the lead in coordinating crisis management. It also provides administrative support for the Offices of the Secretary, other State principals, and special envoys. Its subordinate components include the:

- **Executive Office (S/S-EX)**, which provides centralized administrative support and information management functions for State principals, offices reporting directly to the Secretary, and the Bureaus of Public Affairs and Legislative Affairs.
- **Operations Center (S/S-O)**, which handles crisis management, briefs/alerts State officials, distribution of sensitive information, and supports principals' communications needs around-the-clock.
- **Secretariat Staff (S/S-S)**, which oversees the preparation and clearance of briefing material for the Secretary and other principals, coordinates the Secretary's travel, and manages interagency communications.
- **Record Management (S/S-RMD)**, which indexes, records, distributes, and archives the Secretary's and other principals' decisions, and documents and tracks Presidential and State principals' correspondence.

ACDA's Office of the Executive Secretary (ACDA/D/EX) manages, coordinates, tracks, and records the information and work flows among the Director, Deputy Director, other ACDA principals and the Agency's bureaus and offices; and

between the ACDA and the interagency community. It is ACDA's principal tasking organization for overseeing the preparation of briefing and action materials for ACDA principals. It communicates formally ACDA's views and is the formal recipient of other Executive branch views. It monitors ACDA's representation in interagency meetings and represents the Director and the Deputy Director in planning for diplomatic events. It has the lead responsibility for assigning and maintaining records and for assigning access to limited distribution, highly sensitive documents. It maintains ACDA's deadlines, both internal and external. It has no round-the-clock facility.

USIA's Secretariat tasks, tracks, reviews and records the flow of information, briefing materials and correspondence to and from USIA's Director and Deputy Director, both within the agency and between it and the interagency community. Its Operations Center, distinct from the Secretariat, provides round-the-clock digests of print and electronic media (domestic and foreign), transcripts of public events, other public documents, briefing material and the latest press guidance for Washington agencies and overseas posts. It also monitors key media round-the-clock, and provides emergency support to official international exchange visitors. It takes the lead in coordinating the clearance process for VOA editorials.

Personnel

There are 142 full-time permanent positions in State's Executive Secretariat.

ACDA's Executive Secretariat consists of seven full-time permanent positions.

USIA's Secretariat and Operations Center consist of 23 full-time permanent positions.

Key Issues Considered

The Executive Secretariats of all three agencies perform essentially the same functions for their principals. Their consolidation raises a number of issues:

- **Functions:** While functions are largely the same for all three secretariats, they are distributed differently among each secretariat's component parts.
- **Systems:** Document archiving, tracking and retrieval systems must be consolidated and harmonized.

- **Operations Centers:** The functions of the USIA Operations Center, which were different, were analyzed and allocated.

Proposed Integration into State

State

State's Executive Secretariat will be reorganized to prepare for the influx of new functions. A Correspondence and Records division (S/S-CR) will be established on the foundation of the existing Record Management division (S/S-RMD). It will have units responsible for records management and research, tracking and tasking correspondence for the Secretary and other principals, and managing the interagency calendar and associated functions. The Secretariat Staff division (S/S-S) will have oversight of the tasking and tracking of memoranda for the Secretary and other State principals and for coordinating the Secretary's overseas travel. The Operations Center (S/S-O) will integrate additional personnel from the USIA Operations Center to expand core responsibilities, including enhanced press/public affairs activities and expanded crisis management support operations. The Executive Office (S/S-EX) will continue to provide centralized administrative and information management support.

ACDA

The functions of ACDA's Executive Secretariat will be reallocated to:

- **Under Secretary's Staff:** To provide programmatic support for the Under Secretary, who also serves as Senior Adviser to the President and the Secretary of State for Arms Control, Nonproliferation, and Disarmament.
- **S/S-CR and the Bureau of Legislative Affairs:** Task and track general and Congressional correspondence addressed to the Under Secretary.
- **S/S and S/S-CR:** Serve as the Under Secretary's coordinator of interagency communications.
- **S/S-CR and S/S-O:** Distribute and store classified and highly sensitive material.
- **S/E-EX:** Provide administrative and information management support for the Under Secretary's office.
- **Under Secretary's Staff and S/S-CR:** Maintain a formal record of the Under Secretary's decisions and actions.
- **The Bureau of Administration:** Process Congressional, FOIA, Privacy Act, and document subpoena requests.

- **S/S-O:** Provide 24-hour alert, briefing, crisis coordination, and principal locator services.

ACDA's Executive Secretariat's seven full-time permanent positions will move to the staff of the Under Secretary for Arms Control and International Security (two), to the Under Secretary's subordinate bureaus (two to PM and two to AC), and to State's Executive Secretariat systems staff (one).

USIA

The functions of USIA's Executive Secretariat will be reallocated to:

- **Under Secretary's Staff:** Provide programmatic support for the Under Secretary to carry out his duties.
- **S/S-CR and the Bureau of Legislative Affairs:** Task and track general and Congressional correspondence addressed to the Under Secretary.
- **S/S and S/S-CR:** Serve as the Under Secretary's coordinator of interagency communications.
- **S/S-CR and S/S-O:** Distribute and store classified and highly sensitive material.
- **S/S-EX:** Provide administrative and information management support for the Under Secretary's office.
- **Under Secretary's staff and S/S-CR:** Maintain formal record of the Under Secretary's decisions and actions.
- **The Bureau of Administration:** Process Congressional, FOIA, Privacy Act, and document subpoena requests.
- **S/S-O:** Provide 24 hour alert, briefing, crisis coordination and principal locator services, and rapid response to urgent public affairs needs for overseas posts, including transcripts, press guidance and media summaries.
- **S/S-O and the Office of International Information Programs:** Conduct 24-hour global media monitoring and provide information and summaries of foreign affairs coverage - on general and specific issues -- to senior officials in Washington and overseas.
- **The Bureau of Public Affairs and the Office of International Information Programs:** Manage the repository of transcripts of public statements and appearances by U.S. government officials, and of press guidance and releases of U.S. Government agencies, and serve as principal point of contact for non-urgent information for press officers in the field.

- **S/S-S:** Coordinate clearance process for Voice of America editorials.
- **The Bureau of Educational and Cultural Affairs:** Provide duty officer for after-hour contact by exchange visitor program participants.

USIA's Executive Secretariat's 10 full-time permanent positions will move to State's Executive Secretariat (seven) and to Legislative Affairs (three). Of the USIA Operations Center's 13 full-time permanent positions, four will move to the functional staffs and bureaus for public diplomacy work, seven will join the State Operations Center, and two will transfer to State's Executive Secretariat administrative office. One additional full-time permanent position, from USIA's Management Bureau, will shift to State's Executive Secretariat systems office to support the Bureau of Legislative Affairs and a second one from USIA's special complements will move to the staff of the Foreign Service Grievance Board.

Positive Outcomes

- Increased responsiveness to overseas crisis management and information requirements.
- Centralized correspondence processing.
- Centralized interagency communications and scheduling.
- Improved document tasking, tracking and retrieval.

VI. Policy Support Functions

C. Congressional Relations

Current Responsibilities

State, ACDA, and USIA have units devoted to Congressional relations, charged with roughly the same responsibilities for their subject areas. State's Bureau of Legislative Affairs (H) coordinates legislative activity for State and advises the Secretary of State and other State officials on legislative matters concerning all international affairs policy and funding issues. The Bureau's primary mission is to ensure that the Secretary's policies are reflected throughout the legislative process. H serves as the primary liaison between the Congress and the Executive Branch (including OMB and other governmental agencies) on foreign policy legislative matters as well as State's authorization legislation and two appropriations bills, the Commerce, Justice, State and Foreign Operations appropriations.

ACDA's Office of Congressional Affairs (CA) is responsible for the legislative implications of arms control, nonproliferation, and disarmament proposals, policies, and activities, including treaty ratifications. It advises the Director on legislation and Congressional views; arranges briefings for legislators/staffs; arranges Congressional appearances; coordinates Agency responses to the Congress; and obtains Congressional approval of the budget. The office provides routine status reports on arms control and nonproliferation diplomatic efforts to the Senate Arms Control Observer Group and the House Arms Control Observer Group. It also serves as the Agency's liaison with OMB.

USIA's Office of Congressional and Intergovernmental Affairs (CL) is the principal point of contact on public diplomacy issues and programs with the Congress, Executive Branch legislative offices, and state and local officials. The office is responsible for all aspects of the Agency's authorization legislation and, in conjunction with the Agency comptroller, appropriations legislation as well. CL advises the Director and other top Agency officials on Congressional views and develops and implements legislative strategy for USIA. CL coordinates Agency legislative activity, prepares Agency officials for Congressional appearances, keeps interested Members and staff informed of Agency activities which affect them or their constituents.

CL also conducts outreach with state and local government officials.

Personnel

State's Bureau of Legislative Affairs has 48 full-time permanent positions.

ACDA's Office of Congressional Affairs has four full-time permanent positions.

USIA's Office of Congressional and Intergovernmental Affairs has eight full-time permanent positions.

Proposed Integration into State

The new structure will have four deputy assistant secretaries (DASs) and four senior policy advisers (SPAs), a plan that will maintain the H Bureau's current DAS structure and create two new SPA positions. These new SPA positions will act as direct liaisons to the proposed new Under Secretaries and provide leadership and expertise within H on arms control and nonproliferation and public diplomacy.

State's Bureau of Legislative Affairs will absorb most of the staff positions of the USIA legislative affairs operation, as well as some from their Secretariat operations and several administrative support positions.

Of USIA's eight positions, six will transfer to H, one to the Bureau of Democracy, Human Rights and Labor (along with the international labor portfolio), and one to the Bureau of Public Affairs (along with the state and local government relations portfolio). Additionally, the three positions from USIA's Secretariat staff which support Congressional correspondence will be transferred to H, along with one position from USIA's Management Bureau.

All four positions from ACDA will go to H.

Each State Under Secretary will have a senior individual within Legislative Affairs, a Deputy Assistant Secretary (DAS) or Senior Policy Advisor (SPA), who will oversee issues under the Under Secretary's purview.

Each Under Secretary will designate a point of contact in his/her office for the DAS or SPA and the relevant Legislative Management Officer (LMO). This is a collateral duty which will not require a full-time position.

The Bureau of Legislative Affairs will continue to shepherd the authorization and appropriations bills through the Congress, working closely with those offices, particularly the Chief Financial Officer, which have responsibility for preparation of the budget.

Positive Outcomes

These proposals will provide for the unified representation to the Congress of State's views on the widest range of foreign policy issues. State principals can be sure that their Congressional priorities will be brought to the attention of the Secretary and addressed through her frequent testimony and meetings on the Hill.

VI. Policy Support Functions

D. Legal Affairs

Current Responsibilities

State's Legal Adviser (L) provides legal advice and services to the Secretary -- and through her to the National Security Council (NSC) and the President -- as well as to other State offices. These activities include:

- Bringing legal considerations to bear in formulating and carrying out U.S. foreign policy and in administering the Department, including the Foreign Service;
- Participating in international negotiations and representing the U.S. in international conferences having legal content;
- Representing the U.S. in international litigation and assisting the Department of Justice in domestic litigation involving State;
- Serving as State's point of contact with Justice, Treasury, and other law enforcement agencies on sensitive operations and prosecutions that may affect the conduct of U.S. foreign policy;
- Chairing the Department's advisory committees on public and private international law.

ACDA's Office of the General Counsel, responsible for legal matters arising from arms control, nonproliferation, and disarmament activities of the U.S. government, provides legal advice and assistance to the Director -- and through him to the NSC and the President -- as well as to other ACDA offices. These activities include:

- Participating throughout the negotiation, conclusion, ratification, and implementation of arms control treaties and agreements;
- Interpreting legislation affecting the field of arms control, nonproliferation, and disarmament, including representing ACDA with respect to proposed and pending legislation;
- Providing legal support in ratification and interpretation of arms control treaties, including drafting implementing legislation and the article-by-article analysis for transmittal by the President to the Congress;

- Providing legal support for arms control initiatives by the President, the Director, and the different bureaus of ACDA; and
- Addressing arms control legal issues at courses, seminars, and conferences.

USIA's General Counsel's Office (GC) provides legal services to all Agency elements (with the exception of the immediate legal needs of the Broadcasting Board of Governors) in support of USIA's domestic and international activities. These activities include:

- Drafting and interpreting statutes and regulations;
- Preparing for and negotiating site agreements, educational and cultural exchange agreements, and other international agreements;
- Addressing requests for immunity from judicial seizure;
- Representing the Agency in administrative litigation;
- Assisting the Department of Justice in judicial litigation; and
- Providing advice on matters as diverse as telecommunications issues, cultural property, labor relations, and ethical constraints on the activities of Agency officials.

Personnel

The Office of the Legal Advisor (L) within State has 165 full-time permanent positions.

ACDA's Office of the General Counsel (GC) has 14 full-time permanent positions and a reimbursable one.

USIA's Office of the General Counsel (GC) has 62 full-time permanent positions.

Key Issues Considered

The task force considered a range of issues, including: the number and level of officials in the Legal Adviser's Office charged with providing legal support for transferred functions; the placement of functions currently residing in General Counsels' offices which might be placed elsewhere in the new structure; the necessity for any internal management changes; and the April 1997 White House statement which indicated that ACDA's legal functions will be preserved.

Proposed Integration into State

General

USIA legal staff will be transferred to the BBG in proportion to the amount of work currently performed by USIA's General Counsel's office for broadcasting components (seven full-time permanent positions). All other full-time permanent USIA legal staff (13 full-time permanent positions) and all ACDA legal staff positions will transfer to the Office of the Legal Adviser. One computer support position from USIA's Management Bureau will transfer to the Office of the Legal Adviser.

All but one SES position currently assigned for legal functions in each of the three agencies will be transferred to the newly integrated Legal Adviser's Office and assigned SES responsibilities.

Certain ACDA and USIA attorneys and support staff will be transferred to the appropriate management offices in the Legal Adviser's Office.

The newly integrated Legal Adviser's Office will perform only legal functions. Non-legal functions will be transferred to other bureaus where these functions either are more compatible with the mission of that bureau or can be more effectively managed.

FOIA, privacy, and declassification functions of ACDA and USIA will be transferred to State's Bureau of Administration and to the BBG. ACDA's efforts are currently conducted entirely by rehired annuitants. Ten full-time permanent positions (two on FOIA and eight on declassification) will move from USIA, including three to provide declassification support to the BBG on a reimbursable basis. Five additional positions from declassification will move to public diplomacy efforts in the functional staffs and bureaus. Two full-time permanent positions working on FOIA will be transferred to the BBG.

USIA Specific

The USIA General Counsel will become the General Counsel to the BBG.

A new Assistant Legal Adviser for Public Diplomacy and associated staff will be established in the Office of the Legal Adviser.

USIA's attestation function -- reviewing films to determine whether they are of "international educational value" and

thus warrant favorable export treatment under the Beirut Agreement -- will be transferred to the Bureau of Educational and Cultural Affairs (one full-time permanent position).

The USIA Exchange Visitors visa waiver review procedure will be transferred to the Bureau of Consular Affairs (12 full-time permanent positions).

The Exchange visa program designation function will become a staff element in the office of the Assistant Secretary for Educational and Cultural Affairs (12 full-time permanent positions).

Seven full-time permanent positions will transfer to the BBG.

ACDA Specific

The ACDA General Counsel will become the Associate Legal Adviser for Arms Control and Nonproliferation and will report to the Legal Adviser.

A new Assistant Legal Adviser for Arms Control and Nonproliferation and associated staff will be established and will report to the Associate Legal Adviser.

All 14 full-time permanent positions and a reimbursable one will transfer to State plus two additional full-time permanent positions from elsewhere in the agency.

Positive Outcomes

The Secretary and other State principals will receive top-quality legal services from an integrated office under the direction of the Legal Adviser. Full integration of the arms control specialty into the Legal Adviser's Office will best preserve ACDA's unique legal functions. This arrangement will allow the Legal Adviser and client bureaus to draw upon the broad-ranging expertise of the Legal Adviser's Office. The Legal Adviser's Office will maintain its active recruitment program, which attracts some of the best lawyers in the country, as well as procedures for hiring experts in particular fields where appropriate. Client bureaus will provide travel funds adequate to preserve the legal functions of the lawyers participating in delegations, commissions and discussions.

VI. Policy Support Functions

E. Press and Constituent Relations

Current Responsibilities

Public affairs is the provision of information to the press, the American public, and others concerning the goals, policies, and activities of the U.S. government. Public diplomacy seeks to promote the national interest of the U.S. through understanding, informing, and influencing foreign publics.

- **State's Bureau of Public Affairs (PA)** provides information to various publics concerning the goals and development of U.S. foreign policy. Through dialogue with the media, individual citizens, and groups, it attempts to foster understanding of the importance of American leadership and engagement in the world. PA directs public affairs strategies, coordinates interagency public affairs activities, and serves as a principal adviser to the Secretary, senior State officials, and others in the U.S. government.
- **USIA's Office of Public Liaison (PL)** is responsible for planning, directing, coordinating, implementing, and evaluating USIA's domestic public affairs program and for developing its communication strategy. PL provides information about the Agency's policies, mission, and programs to the general public, the communications media, academic and educational institutions, and government and non-governmental organizations.
- **ACDA's Office of Public Affairs (PA)** disseminates and coordinates public information concerning arms control, nonproliferation, and disarmament. The office handles media outreach, coordinates press guidance on Agency issues, plans and coordinates press conferences and interviews with ACDA officials, and is responsible for a comprehensive Speaker's Program.
- **USAID's Press Relations Division (AID/LPA/PR)** manages the communication of the Agency's mission, goals, and activities to the American public, primarily through the media. It is part of USAID's Bureau for Legislative and Public Affairs.

- **USIA's Foreign Press Centers** in Washington, New York and Los Angeles deal with visiting and U.S.-based foreign media.

Personnel

State's PA bureau is staffed by 117 full-time permanent positions.

USIA's Office of Public Liaison has 12 full-time permanent positions.

ACDA's Office of Public Affairs has eight full-time permanent positions.

USAID's Press Relations Division has eight full-time permanent positions.

USIA's Foreign Press Centers have 24 full-time permanent positions.

USIA's Broadcasting Bureau has eight full-time permanent positions in its Foreign Broadcast Support Unit and 12 who carry out Worldnet television policy interactives.

Key Issues Considered

The major issues of integrating press relations functions into State are part of the larger issue of integrating USIA's public diplomacy mission into State.

Proposed Integration into State

The domestic press functions of USIA, ACDA, and USAID will be integrated into PA's Office of Press and Media Relations. USAID's press officers will become State Public Affairs Officers. USIA's Office of Public Liaison will integrate with PA.

Existing press relations resources will be restructured into four inter-related offices in PA. The Assistant Secretary for Public Affairs will have overall managerial responsibility and the Principal Deputy Assistant Secretary will have day-to-day responsibility for the activities of these offices. They, in turn, will be responsible to the Under Secretary for Public Diplomacy and Public Affairs and the Secretary of State.

The **Domestic Press Office** (a.k.a. "*the Press Office*") will be responsible for day-to-day relations with domestic and

foreign media on major foreign policy matters, and for supporting media and public affairs events involving the Secretary or her deputies in the U.S. and overseas. This office will be staffed with positions presently in the Press Office and two transferred from USIA's Office of Public Liaison.

The **Foreign Press Centers Office** will be responsible for day-to-day relations with U.S.-based and visiting foreign-based media whose areas of inquiry fall outside those already described above. The Centers' efforts will continue to focus on briefings, programs, and direct contact by press officers and other specialists with foreign journalists.

The Centers in Washington, New York, and Los Angeles will remain where they are to serve their clientele, but will coordinate and integrate their daily operations with other offices of PA, under the daily direction of the Principal Deputy Assistant Secretary/Deputy Spokesman. Foreign Press Center operations will remain nearly identical to their current set-up (24 full-time permanent positions). Expertise from USAID's press relations office will also be available to address assistance issues.

The **Media Outreach Office** will continue to be responsible for providing policy information to national and major regional media in a proactive fashion, and for reaching out to specialty, local, ethnic and other niche media organizations, all with the objective of better fulfilling our obligation to explain U.S. foreign policy and the U.S. role in world affairs to the broadest possible audiences, including those that have not traditionally been engaged by State and other foreign affairs agencies. The office will also be responsible, in concert with other bureaus as appropriate, for handling of media interviews of State principals other than the Secretary. Staff will consist of the present positions, augmented by two full-time permanent positions from USIA's Office of Public Liaison and expertise from USAID's Office of Press Relations.

A **Multimedia Office** will be responsible for television and certain other multimedia functions. Eight full-time permanent positions in the BBG's Foreign Broadcast Support Unit will shift to this office, as will BBG personnel who carry out Worldnet television policy interactives (12 full-time permanent positions.)

Press Functions at USIA, USAID and ACDA

USIA's Office of Public Liaison will have its positions transferred to corresponding parts of State's Bureau of Public Affairs. Those presently supporting "speaker programs" (four full-time permanent positions) will be transferred to PA's Office of Public and Intergovernmental Liaison to continue similar functions and activities there. Those working on "press relations" (four full-time permanent positions) will be transferred (two positions each) to the Press Office and to Media Outreach. One position working with LAN computer and related matters will be transferred to the Public Communications office, where such activities are concentrated within the Bureau of Public Affairs. One position will be transferred to the Public Affairs front office. And, two positions will become part of public diplomacy units in the functional bureaus.

USAID's Office of Press Relations (eight full-time permanent positions) will be integrated into the Bureau of Public Affairs.

The public affairs positions of the **Arms Control and Disarmament Agency** (eight full-time permanent positions) will be transferred: two to the Assistant Secretary for NP, two to the Assistant Secretary for AC, two to PM, one to the Office of the Historian in PA, and one to the Bureau of Administration.

The Bureau of Public Affairs will be supported by an administrative office drawn from existing staff, plus 15 positions from USIA's former Management Bureau, which has been providing central support.

Positive Outcomes

The Under Secretary for Public Diplomacy and Public Affairs, having responsibility for both foreign and domestic audiences, will help ensure a consistent, coordinated, and timely message, as well as appropriate priorities for projects. With the merging of USIA's Foreign Press Centers into the Bureau for Public Affairs, the media will benefit from a coherent message emanating from a single source.

VII. Management Functions

Overview

Integrating management support functions into a single organization is in most cases a straightforward exercise. The State organizational structures reflect the needs of larger and, consequently, more complex and specialized units. Thus, in general, the current State organizational structures are more appropriate for the consolidated State organization. Furthermore, aside from the relative sizes of the agencies, there are more similarities in management operations than there are differences. Conforming changes in some management policies and procedures will need to be made to become one smoothly functioning organization. The most important task is to bring the people in the organizations together with the leadership, structures, and tools appropriate for a high-performance organization.

One major challenge is the technological difficulty of uniting the three agencies. Separate electronic mail systems and computer databases that often cannot talk to each other will be expensive to standardize.

Another challenge is to achieve the proper balance of responsibilities between central management functions and bureau-level management. There is no one "right" answer, since the most cost-efficient and program-effective solution in one case may not apply to others.

A final requirement is to appropriately apportion support resources to the Broadcasting Board of Governors from USIA's central management and policy support structure.

Coordinating implementation of the reorganization among the various management functions must also be done in such a way that essential operations are not disrupted despite the additional workload.

Though there will be some downstream savings from consolidated management functions, there will be no short-term ones. In fact, costs are likely to rise over the next several fiscal years as relocation costs are borne and incompatible information technologies are conformed. Additionally, there will be some incremental costs in establishing the Broadcasting Board of Governors as an independent entity, absorbing potential immediate savings.

In addition to the position transfers outlined in the sections that follow, full-time permanent positions will transfer from USIA's central management staff to: the Office of Resource, Plans and Policy (one), the Office of Management, Policy and Planning (one), and the executive office of the Bureau of Administration (five).

VII. Management Functions

A. Budget and Finance

Current Responsibilities

Each of the three affected agencies has units with similar responsibilities for budgeting, accounting, financial management operations, budget presentation to OMB and Congress, execution of financial plans, and liaison on financial matters with Treasury, GAO, and other U.S. government agencies. The respective units are:

- **State -- Chief Financial Officer**, heading the Bureau of Finance and Management Policy (FMP) and reporting to the Under Secretary for Management.
- **ACDA -- Financial Manager**, who reports to the Director of Administration.
- **USIA -- Director of the Office of the Comptroller**, who reports to the Agency Associate Director heading the Bureau of Management.

Personnel

State's Bureau of Finance and Management Policy has 559 permanent full-time positions; 357 American and the remainder, foreign nationals.

ACDA's Financial Management Division has seven full-time permanent positions. Its payroll and accounting services are executed by the General Services Administration.

USIA's Office of the Comptroller has 86 full-time permanent positions.

Key Issues Considered

Appropriation Structure -- USIA and ACDA operating accounts will be merged into State's D&CP and S&E accounts. Funding for USIA overseas public diplomacy programs and products, including foreign national program salaries, will be allotted separately to respect all applicable legal restrictions. The appropriations for exchanges and the specialized activities such as the East West Center and the North South Center will be retained.

Single Payroll System -- Payroll system transfers are recognized as having a tremendous impact on employees in a reorganization because of the devastating impact on morale should pay not be received on time. The transition to a single payroll system is a critical priority for implementing the integration and system improvements are already underway.

Integrating Budget Submissions -- USIA's and ACDA's FY-00 budget requirements are being incorporated into the President's budget request for the Department of State. BBG will develop its first independent budget for FY-00.

Integrating Financial Accounting -- ACDA's FY-99 appropriation, and its prior year balances will be shifted to State as of April 1, 1999. USIA's prior year balances will be shifted to State as of October 1, 1999.

Structure and Autonomy -- As members of State's Corporate Board, the Under Secretaries will play a vital role in resource management decisions, particularly those involving bureaus within their areas of responsibility.

Proposed Integration into State

ACDA's and USIA's central financial management functions will be integrated into State's, with conversion to common financial management systems, including single budget, accounting, and payroll systems.

The FMP Office of Budget and Planning (FMP/BP) will handle budget formulation, presentation, and financial planning for all State appropriations. USIA and ACDA operating accounts will be merged into parallel State appropriations, with a separate allotment process established for overseas public diplomacy programs and products. Separate appropriations will be retained for the exchange program and for the current specialized activities like the East West Center and the North South Center.

Sixty-eight permanent full-time positions will transfer from USIA to the Chief Financial Officer, 66 from the Office of the Comptroller, one from the Executive Office, and one from the Office of Technology. The remaining positions from the Office of the Comptroller will be transferred to other offices within State (one to Legislative Affairs, 10 to regional bureaus, one to the Bureau of Administration, three to the administrative office supporting the Bureau of Educational and Cultural Affairs and the Office of International Information Programs, two to the

administrative office supporting the Assistant Secretary for Public Affairs, and one to the Bureau of Administration. Four positions will transfer to the BBG. Also, since BBG plans to obtain financial services from State, twenty of the positions transferred to State will provide those services to the BBG on a reimbursable basis.

Six of the ACDA positions will provide financial management services to the executive office for the bureaus under the Under Secretary for Arms Control and International Security, with the seventh position moving to the Bureau of Administration. State's Financial Services Centers (FSCs) currently provide disbursing, accounting, and payroll services for State, as well as USIA and ACDA at overseas posts. With integration, the services to the former USIA and ACDA overseas operations will continue. The BBG will reimburse for these services under ICASS.

Positive Outcomes

Key programs will be put under the direct leadership of the Secretary. Integration will facilitate stronger links between resource allocations and our international affairs strategic goals, giving the Secretary greater resource flexibility to set priorities.

Consolidation of three currently separate sets of financial management systems will bring about future cost savings, streamlining, and process improvements through applying best practices. At the same time, it will create a wider field for career development and growth in the financial management field.

VII. Management Functions

B. Domestic Facilities

Current Responsibilities

State's Deputy Assistant Secretary for Operations (A/OPR) supervises four offices which exercise oversight for federally owned and leased domestic properties and provide support services for State's operations. They are responsible for domestic operations at 85 locations.

- **The Office of Facilities Management Services (FMS)** conducts all buildings maintenance operations.
- **The Office of General Services Management (GSM)** coordinates and provides support services for conference planning and diplomatic events, and manages the State's technical services unit, employee services center, diplomatic conference and reception rooms, authentications staff, and motor pool.
- **The Office of Real Property Management (RPM)** manages the Master Real Estate Plan for domestic real property including acquisition, and manages the assignment, design and fit-out of internal space.
- **The Office of Projects Management (PM)** oversees long-range planning and the implementation of major construction projects.

USIA has two units within its Bureau of Management's Office of Administration that provide similar services at 18 locations.

ACDA has a small General Services staff that provides administrative support and oversees facilities management at four locations.

Personnel

Currently State has a total of 132 full-time permanent positions that support domestic facilities and services.

USIA has 17 full-time permanent positions providing domestic facilities support.

ACDA's General Services staff has seven full-time permanent positions.

Key Issues Considered

A/OPR will assume, under the terms and conditions of existing leases, the management and operation of USIA real estate and building facilities, except those units being transferred to the BBG.

To the extent possible, USIA headquarters staff members being incorporated into State will be moved to existing State facilities, with the eventual goal of integrating most staff members in the Foggy Bottom area. Duplicate support facilities in other areas will also be consolidated as soon as possible. This consolidation will permit the cancellation of some leases.

Proposed Integration into State

USIA's domestic facilities and support staffs (17 full-time permanent positions) will transfer to A/OPR and consolidate with parallel offices in Facilities Management (A/OPR/FMS), General Services (A/OPR/GSM), Real Estate Management (A/OPR/RPM), or Projects Management (A/OPR/SP/P).

Additionally, two full time permanent positions will also shift, one each from USIA's human resources and technology units. ACDA's General Services staff (seven full-time permanent positions) will transfer to the Executive Office of the bureaus under the oversight of the Under Secretary for Arms Control and International Security Affairs (five) and the Bureau of Administration (two).

The number of facilities to be managed and the workload will remain the same for the time being, though facilities are already being reviewed to determine if and when they can be consolidated.

Positive Outcomes

A centralized domestic facilities program will realize efficiencies over time. Capable professional staffs will be combined and permit a greater depth of expertise. When the headquarters elements of three Foreign Service agencies are combined within the Foggy Bottom area and support elements are combined at appropriate locations, economies of scale will permit identification of facilities and support services that could be eliminated. The General Services Administration and vendors will also benefit by having a single point of contact within State.

VII. Management Functions

C. EEO

Current Responsibilities

Government-wide Equal Employment Opportunity Commission regulations (29 C.F.R. 1614.102) govern EEO programs at State, ACDA, and USIA. The Deputy Assistant Secretary of State, and the Directors of EEO at ACDA and USIA, serve as principal advisers to their respective agency heads. Each recommends changes in policies and procedures to insure nondiscrimination in all programs or activities conducted and/or funded by their respective agencies

Personnel

State's Office of Equal Opportunity and Civil Rights (S/EEOCR) has a total of 17 full-time permanent positions.

At USIA 12 full-time permanent positions are assigned to the Office of Civil Rights.

ACDA has one full-time permanent position located in the Director's Office.

Key Issues Considered

High-Level Attention -- Reporting relationships differ among the organizations. At USIA, the Director of Civil Rights for EEO reports directly to the head of the Agency. At ACDA, the EEO manager reports directly to the ACDA Deputy Director. At State, the Deputy Assistant Secretary of S/EEOCR reports to the Deputy Secretary on questions of policy, but as a practical matter works closely with the Under Secretary for Management on day-to-day operations.

Proposed Integration into State

EEO programs will remain a vital element of State's management priorities and the new structure will consolidate existing USIA, ACDA, and State program personnel. The Director of the office, who will operate at the level of Assistant Secretary, will continue to receive routine guidance and support from the Under Secretary for Management, but will also continue to report to the Secretary and have access on any EEO concerns. Six of USIA's positions and the ACDA position will transfer to

State. The other six USIA positions will transfer to the BBG.

Positive Outcomes

As a result of a consolidated, experienced staff, several underdeveloped programs like EEO Counseling, Alternative Dispute Resolution, Disability, and Civil Rights Compliance programs will be enhanced. The integration of new staff from USIA and ACDA, which include three Foreign Service positions, will also increase S/EEOCR's ability to address the needs of State's employees at posts abroad.

VII. Management Functions

D. Grants

Current Responsibilities

USIA and, in select circumstances, State make grants (transfers of money to non-governmental entities) to accomplish public purposes. Grant authorities, procedures, and limitations are determined by statute, and differ from program to program. USIA grants functions are focused on Fulbright, Expert Speakers, and International Visitor programs.

Personnel

In State, the Bureau of Administration's Office of the Procurement Executive establishes and oversees grants policy and the respective operating or program office handles grants execution. State does not identify personnel resources separately for grants because of the small volume involved.

In USIA, the Grants Division in the Office of the Agency Procurement Executive has ten full-time permanent positions. There is also a grants management division of three full-time permanent positions in the Office of the Executive Director of the Bureau of Educational and Cultural Affairs.

ACDA has no full-time personnel associated with this function.

Key Issues Considered

Authority -- The appropriate focus of grants authority, with respect to centralization or decentralization, is to balance the need to place grant office authority close to the program office familiar with the program requirements and limits, while providing central expertise, policy, and oversight.

Overseas -- Recognizing that the effectiveness of the public diplomacy mission depends on the flexibility of Public Affairs Officers overseas to issue grants, the consolidated State structure will retain the current practice.

Proposed Integration into State

The establishment of State-wide policy will remain in the Office of the Procurement Executive. Grants execution domestically and overseas will continue to operate in the appropriate operating or program office. A unit of nine, specializing in public diplomacy exchanges, will be located in the Bureau of Educational and Cultural Affairs. One position will transfer to the BBG.

Positive Outcomes

There will be compliance with good management practices and grants law and regulation, and maintenance of current program flexibility essential to accomplish the mission.

VII. Management Functions

E. Human Resources

Current Responsibilities

At State, the formulation and implementation of personnel policies and programs for Civil Service, Foreign Service, and foreign national personnel are vested in the Bureau of Personnel (PER), under the leadership of the Director General of the Foreign Service and Director of Personnel (DG), and the Under Secretary for Management.

ACDA's Office of Personnel General Services (A/PGS), reporting to the Director of Administration, provides the full range of personnel functions for ACDA's civil service personnel.

USIA's Office of Human Resources (M/HR), reporting to the Associate Director for Management, provides personnel services similar to those provided by the Bureau of Personnel at State, for Civil Service, Foreign Service and foreign national personnel.

Personnel

State's PER has 312 full-time permanent positions.

ACDA's Personnel Office has eight full-time permanent positions.

USIA's Office of Human Resources has 53 full-time permanent positions devoted to personnel activities.

Key Issues Considered

Employees -- *The Foreign Affairs Reform and Restructuring Act* states that all personnel and positions of USIA and ACDA shall be transferred to State at the same grade or class, with the same rate of basic pay or basic salary rate, and with the same tenure held immediately preceding transfer. This includes foreign national personnel overseas. Consideration of the impact of reorganization on employees has also been a central concern of the collective planning effort.

While the intent of the reorganization is not downsizing per se, there may be streamlining and position savings in some

areas down the road after implementation is complete. Policies are being designed to review all Civil Service vacancies and hold those which could be needed for "at-grade" assignments upon integration. This includes an OPM-approved policy to advertise vacancies to ACDA, USIA and State before going to outside sources. All overseas posts have been instructed to develop plans to maximize the utilization of USIA and State foreign national personnel. While no agency can guarantee future actions, the intent is that any downsizing will occur gradually through normal attrition and sound work force management and planning. All the tools available will be utilized to minimize adverse impact on the workforce.

Communication -- Uncertainty concerning potential RIFs, downsizing, assignment changes, and inequities is normal in any large-scale reorganization, and employee morale and productivity might fall if these concerns are not adequately addressed. Timely and open communications are essential. Prompt decisions on organizational structure, followed by individual assignments, will help to alleviate uncertainty. Discussions will also continue with the employee organizations, AFGE and AFSA. Other strategies to help employees cope with these changes will include training for supervisors and managers, as well as staff, and provision of counseling services.

Integration of Foreign Service Systems -- With integration, a fifth generalist cone, called Public Diplomacy, will be created. USIA's administrative generalists will become State administrative officers. New specialist skill codes will be developed in State for USIA printing specialists, information resource officers, and English language officers. Policy differences such as time in class, tenuring, threshold window, assignments and promotion precepts will be addressed and resolved, with best practices considered.

Decentralization -- There is general support for continuing State's current move toward decentralized authority by allowing bureaus to classify and staff positions at the GS-13 level and below, and provide performance management and employee relations services. State may engage in pilot programs for extended delegations to bureaus based on the skills and experience of the executive director's staff.

Proposed Integration into State

Seven ACDA positions will move to the executive office of the bureaus under the Under Secretary for Arms Control and

International Security, with the remaining position moving to the Bureau of Personnel.

USIA human resources positions will move to the administrative office supporting the Bureau of Educational and Cultural Affairs and the Office of International Information Programs (six), the Bureau of Public Affairs (three), the Bureau of Administration (one), and the Bureau of Personnel (41), plus two additional positions from USIA's detail complement that had been detailed to the Board of Examiners. Three positions will transfer to the BBG.

USIA's detail (22), pipeline (57), and training (45) complements encompass 124 full-time permanent positions after reductions from the FY-99 number for: budgetary adjustments (seven) and transfers to the BBG (eight), plus permanent shifts of personnel currently detailed to the Board of Examiners (two) and the staff of the Foreign Service Grievance Board (one.)

Positive Outcomes

Integrating similar functional responsibilities and eliminating redundancies could over time increase efficiency in personnel operations by allowing currently underserved issues to receive more time and attention. Moving away from separate agency regulations and procedures to a common system based on best practices will lead to better personnel policies and processes.

Steps will also be investigated to encourage all personnel to consider opportunities in the new areas of arms control, nonproliferation and public diplomacy. The integration has the potential to provide opportunities for work in a wider range of organizational units within State. Furthermore, because of the shifts being made, many employees will have the opportunity to obtain new skills.

VII. Management Functions

F. Information Technology

Current Responsibilities

Information technology (IT) organizations are responsible for acquiring, maintaining, and standardizing information equipment and operating systems which help accomplish the agency's mission and manage its resources. Information resources include computers, networks, other office automation equipment, and telephone and communications equipment. A critical component of IT management is planning and policy formulation for information resource strategies.

State's Bureau of Information Resource Management (IRM), under the direction of the Chief Information Officer (CIO), manages all these activities for State. The geographic and functional bureaus have responsibility for their particular IT systems related programs.

Information technology resources are generally dispersed throughout a large organization, in addition to centralized IT management units. These dispersed IT resources generally provide for operations of specific programs (e.g., export controls, consular systems) or give immediate support for administration of office automation and networks. This section focuses primarily on the structure of centralized IT functions.

Personnel

State's IRM has a domestic staff of 470 full-time permanent positions.

USIA's Office of Technology within its Management Bureau has 125 permanent full-time positions.

ACDA has 15 full-time permanent positions working on information management and computer operations.

Key Issues Considered

- **Open Communication** -- The three agencies' current IT systems do not offer common e-mail connections. USIA operates in an open, unclassified IT environment with

Internet connections. For national security reasons, ACDA operates almost exclusively in a classified environment. State operates open systems, unclassified but controlled systems, and classified systems. Complicating any solution is the absence of U.S. Government approved technology to establish safe "firewalls," which will allow multiple classification levels on one set of equipment.

- **Standardized Systems and Software** -- Development of a common architecture for equipment and software is critical for effective information management operations. Establishing these standards will permit maximum effective use of available capital funds.

Proposed Integration into State

Centralized IT functions will be provided by State IRM, strengthened with positions from USIA. Positions supporting particular programmatic functions will remain located in that program unit.

Several operations of the merged entities will be combined quickly because they are essentially alike: communications centers, telephone services, mainframe operations, Strategic IRM Planning, and CIO support.

Steps to strengthen information technology operations will include:

- Identify redundant or "stovepipe" operating systems for elimination, with the goal of standardizing on as few systems as possible;
- Consolidate existing database management systems;
- Determine new hardware requirements for desktop systems, file servers, minicomputers, mainframes, and related peripherals.

An expanded network management center in IRM will provide critical enterprise-wide 24-hour service to support network operations.

An expanded Information Help Desk will provide one-stop shopping for customers seeking information on resolution of problems having to do with IRM-supported products and services.

Of USIA's 125 positions, 96 will transfer to the IRM Bureau, one to the Chief Financial Officer, one to the Bureau of Administration, one to the Legal Adviser's Office, 20 to the

administrative office supporting the Bureau of Educational and Cultural Affairs and the Coordinator for International Information Programs. Six will go to the BBG.

ACDA's decentralized IT operation will move to the bureaus under the policy oversight of the Under Secretary for Arms Control and International Security. Thirteen full-time permanent positions will be located in the Arms control Bureau, one positions will transfer to the Bureau of Administration, and one position will transfer to the Bureau of International Organization Affairs to support IT operations in Geneva.

Positive Outcomes

Combined central IT management and policy will allow more effective use of scarce resources and more rational planning and acquisition programs.

The Bureau of Administration's Diplomatic Telecommunications Service Program Office (DTS-PO) will continue to provide long-haul telecommunications support to both the integrated State operations and to all the other agencies located at diplomatic and consular posts.

VII. Management Functions

G. Logistics

Current Responsibilities

The Office of Logistics Management at State is responsible for a variety of functions, including supply, transportation, and procurement.

ACDA's logistics operations are split among three divisions in its Office of Administration: Financial Management (travel), Contracting, and Personnel and General Services (transportation, mail, property management, and printing).

USIA has logistics operations in the Bureau of Management's Offices of Administration (M/A) and Contracts (M/K). A small staff provides logistics support for Printing Services of the Information Bureau.

Personnel

State has 214 full-time permanent positions engaged in logistics functions.

USIA has 75 full-time permanent positions engaged in logistics management.

ACDA has six full-time permanent positions engaged in logistics operations.

Key Issues Considered

Separate Authorities -- Arms control, nonproliferation and public diplomacy will not retain agency-type authority, such as procurement. Customer service teams will provide high-quality service to these functions.

Logistics Information Systems -- Few systems are shared between agencies. Integration will require a mixture of using best practices systems and creation of new systems.

Proposed Integration into State

The structure designed to implement State's reengineered logistics processes will serve as the basis for the consolidated logistics operation. Expanded logistics operations for the consolidated agencies will be organized, under the direction of a Deputy Assistant Secretary, around work processes in three offices:

- Operations Management,
- Acquisitions Management, and
- Program Management.

Of USIA's 76 full-time permanent positions (including one in their Comptroller's office), 65 will transfer to the Bureau of Administration, and 11 to the BBG. Three additional full-time permanent positions, providing passport and visa support, will transfer to the administrative office supporting the Bureau of Educational and Cultural Affairs and the Office of International Information Programs (two) and the administrative office supporting the Bureau of Public Affairs (one.)

Four ACDA full-time permanent positions will transfer to the Bureau of Administration and two to the Nonproliferation Bureau. One additional full-time permanent position will also move to logistics from elsewhere in the agency.

Positive Outcomes

Integration will permit State to expand its reengineering design to serve arms control, nonproliferation, and public diplomacy activities. The timing of the reorganization will permit the incorporation of USIA and ACDA business requirements and practices into new logistics process implementation.

Redundant operations (e.g., warehousing, diplomatic pouch and mail) will be merged or phased out to permit further streamlining. Additional economies of scale will over time result from including USIA and ACDA requirements in contract and vendor management initiatives and from consolidating distribution channels and logistics systems.

VII. Management Functions

H. Overseas Facilities

Current Responsibilities

State's Foreign Buildings Office (FBO), located in the Bureau of Administration, acts as the single real property manager for U.S. government diplomatic and consular property abroad. FBO activities include: determining building funding priorities; design, construction, acquisition, sale, maintenance, and utilization of real properties; use of sales proceeds; and providing direction on foreign buildings matters to regional bureaus and other agencies. FBO already provides a broad array of these services to ACDA and USIA.

Personnel

FBO has 382 full-time permanent positions domestically and 174 Foreign Service full-time permanent positions (primarily facilities managers) overseas.

The overseas property management responsibilities of ACDA's Executive Director in Geneva are limited to serving as the administrative liaison with the U.S. Mission there and the U.S. Embassy The Hague. ACDA has no full-time positions with overseas property management responsibilities.

USIA has 10 full-time permanent positions in the Bureau of Management responsible for design, technical assistance, overseas procurement, safety, and facilities security.

Key Issues Considered

- **Consolidation**

Consideration was given to physical consolidation of all USIA overseas activities into current State facilities, but it was determined that such a collocation would be prohibitively expensive.

- **Representational Considerations**

Representational housing, china, glassware, and silverware are not provided for any heads of section at State. This will be a change for the USIS Public Affairs Officers (PAOs), who currently, as head of an agency at post, automatically receive such items. Post Housing Boards will give appropriate consideration to functional needs when

making assignments for PAOs arriving from the summer of 1999 onward.

Proposed Integration

ACDA's and USIA's existing functions will be incorporated into FBO, building on FBO's broad mission, experience, and scope of operations, and the extensive property management services FBO already provides to both ACDA and USIA. Support activities will continue without interruption.

USIA staff, including designers, architects, physical security personnel, safety officer, and facilities security personnel will join FBO. Personnel transferred from USIA to FBO are expected to assume duties closely related to their current activities. Because ACDA does not dedicate full-time resources to property management, no personnel will be transferred.

At overseas locations all agencies will operate under a unified Housing Board. Joint State/USAID regulations will be issued on utilizing a single housing pool for short-term leased units.

Positive Outcomes

More comprehensive services and programs will be available for all personnel in the areas of safety, security, and in-house construction and design expertise.

Longer-term implementation of integrated facilities management overseas will result in more efficient utilization of space, reduced service costs, and fewer personnel necessary for space management.

VII. Management Functions

I. Overseas Operations

Current Responsibilities

State has an overseas presence at some 260 locations worldwide. Most of these include not only State personnel but personnel from many other agencies as well.

USIS (the United States Information Service, as USIA is known overseas) currently has a separate agency identity within the embassy. A Public Affairs Officer (PAO) heads the USIS unit with its own resource allocations. In practice, however, public diplomacy functions are already partially integrated at post. PAOs consult regularly with the Ambassador and country team colleagues, and USIS country program plans track closely with overall mission goals and objectives. USIA already receives many administrative services from State, although USIS operations provide varying degrees of their own administrative and program support.

ACDA's most significant overseas presence is in Geneva, where it is engaged in several critical roles, including supporting ongoing arms control negotiations in the Conference on Disarmament. In The Hague, ACDA leads the U.S. Delegation to the international organization implementing the Chemical Weapons Convention; and, in Vienna, it has staffs addressing implementation and adaptation of the European conventional arms control agreements and the Comprehensive Test Ban Treaty. Currently, ACDA receives most of its overseas administrative services from State.

Personnel

State's overseas presence includes 4,100 American and 7,600 full-time permanent Foreign Service National (FSN) positions.

USIA's area offices overseas would encompass 191 locations with 478 full-time permanent American positions and 1,958 full-time permanent FSNs (not including the 30 which are shifting to the BBG), plus an additional seven Americans who are carried on USIA Washington's rolls.

ACDA's three overseas locations are staffed by fourteen full-time permanent positions.

Key Issues Considered

Consolidation at Small Posts -- Personnel at smaller posts often perform both program and administrative functions; thus it is more difficult to realign duties to consolidate program and administrative support functions into separate positions.

Consolidation of USIS and State Information Systems -

Information technology support activities are an integral component of USIS and State operations at overseas posts. In some instances, USIS computer support personnel may have program responsibilities involving contact with foreign publics and development of program products, as well as specialized technical responsibilities. State information systems personnel at posts have responsibility for communications and office support networks, as well as for systems that support program activities, such as consular work. The goals for consolidating USIS and State information systems overseas are to:

- Maintain the level and quality of all computer systems and applications;
- Use skilled computer personnel (likely to be in short supply) to the maximum benefit of all operations at post;
- Develop and implement a post plan to fully integrate all computer system operations.

This is a case where additional changes in position allocation may occur over the near term as experience dictates.

Proposed Integration into State

USIS overseas positions will be transferred to the respective regional bureaus, with appropriate field budget transfers as well. The PAO will head the embassy public diplomacy section and report to the Deputy Chief of Mission. The public diplomacy section will be on a par with the consular, economic, administrative, and political sections in an embassy. Current USIS Branch Public Affairs offices, located where there are no State offices, will be re-titled in line with State nomenclature.

In keeping with the principle that the core functions of USIS will be preserved, the composition of the public diplomacy section and its resources will not drastically

change (445 full-time permanent American positions). Several functions closely tied to public diplomacy such as program planning and budgeting, program logistics, and grant administration will remain in the public diplomacy section. FSNs with these functions will remain in the public diplomacy section (1,720 full-time permanent positions).

General administrative functions (e.g., personnel, financial management, transportation, and information technology) will be integrated with the administrative section. USIS executive officer positions (26) will become State administrative positions, as will seven USIS regional management officer positions. FSN positions with purely administrative duties will be assigned to mission administrative sections (238 full-time permanent positions). Further adjustments may also be made as circumstances warrant. Additionally, 30 full time permanent foreign national positions are being transferred to the BBG.

Six full-time permanent foreign national positions, currently providing printing services in Vienna, will shift to the Bureau of Administration.

In Geneva, interagency arms control delegations will be supported administratively by the U.S. Mission. Support functions currently performed by ACDA will transfer to the mission's administrative section, with provision for a conference services officer to coordinate arms control delegation requirements.

Positive Outcomes

The Country Team approach will continue, with preservation of the strong role of public diplomacy.

Public diplomacy and arms control and nonproliferation functions will be supported effectively at overseas posts.

Integration of administrative support will provide a more streamlined structure with potential for future savings.

VII. Management Functions

J. Records and Publishing Services

Current Responsibilities

Within State's Bureau of Administration, the Deputy Assistant Secretary for Records and Publishing Services (A/RPS) is responsible for a variety of information-related programs and functions. A/RPS' activities include all information programs covering access, privacy, and national security classification and declassification management (mandated by the Freedom of Information Act, Privacy Act, and Executive Order 12958, among others); traditional records management; congressional and judicial document production; central archives; research; and State's Library. Also under the A/RPS umbrella are the Multi-Media Publishing Services operation (i.e., Printing) and Directives Management (including regulations and Paperwork Reduction Act).

ACDA's and USIA's related information programs are located in a number of different organizations including the USIA's General Counsel's Office (GC), Bureau of Management (Office of Administration, M/A) and Bureau of Information (I), and ACDA's Bureau of Intelligence, Verification, and Information Management, and its Office of Public Affairs.

Personnel

State's A/RPS has a staff of 237 full-time permanent positions.

Parallel programs in USIA involve full-time permanent positions in: printing operations both at headquarters and overseas, 19 American and 91 foreign national positions (I, M/A and EEN); directives staff, two positions (M/A); library and records management, four positions (I); FOIA operations, four positions (GC); and declassification operations, 13 positions (GC).

The records management and declassification programs are the only related programs in ACDA, involving one full-time permanent employee in the Office of Public Affairs and one in the Intelligence, Technology, and Analysis Division of the Bureau of Intelligence, Verification, and Information Management.

Key Issues Considered

- **Statutory Compliance**

Since many of the program activities are driven by legal mandates (e.g. FOIA, Privacy Act, E.O. 12958, Federal Records Act) or traditional organizational activities (such as libraries and printing plants), there is considerable commonality in function and programmatic requirements.

- **Corporate Archives**

Throughout its history, State has maintained a central record collection documenting the conduct of foreign policy and its other business requirements. Neither ACDA nor USIA has such a resource, and thus there is a need to integrate records life-cycle requirements as an ongoing part of program responsibilities, as well as a corporate record resource.

Proposed Integration into State

The reorganization of State, ACDA, and USIA entities will be relatively easy to accomplish because they are essentially alike. For example, there are already joint State/ACDA/USIA regulations; USIA's historical declassification review activity required by E.O. 12958 is already collocated with State's facility; and the ACDA Library has already been merged with State's. Because separate facilities will continue for some time, a Library annex will temporarily remain at the former USIA headquarters.

From USIA, eight full-time permanent declassification positions will transfer to the Bureau of Administration, including three that will provide this service to the BBG on a reimbursable basis; the remaining five positions will provide public diplomacy support in the functional bureaus and staffs. Two full time permanent FOIA positions each will transfer to the Bureau of Administration and to the BBG.

Two ACDA positions will transfer to the Bureau of Administration.

Two USIA full-time permanent positions for domestic library support, two for records management, and two for directives will transfer to the Bureau of Administration.

Nineteen full-time American positions (14 domestic and five overseas), and 91 full-time permanent FSN positions (85 in Manila and six in Vienna) will transfer to the Bureau of

Administration to provide printing services. One full time permanent American position will transfer to the BBG.

Positive Outcomes

Integrated programs will enable the new organization to implement best business practices -- especially through leveraging technologies -- and thereby increase the potential of achieving increased economies and efficiencies.

VII. Management Functions

K. Security

Current Responsibilities

State, ACDA, USAID, and USIA all have similar responsibilities for ensuring the protection of personnel, facilities, and national security information. However, State is responsible for managing and providing security at overseas posts.

At State, the Bureau of Diplomatic Security (DS) manages the security programs, including formulating security policy and implementing programs to provide a secure environment for the conduct of U.S. diplomacy.

ACDA's Security Division is in its Office of Administration.

USIA's Security Office is part of the Management Bureau.

USAID's Security Office reports to the Administrator.

Personnel

DS has 800 full-time permanent positions. An additional 371 American positions and 317 foreign national positions perform security-related functions overseas under the regional bureaus.

ACDA has six full-time permanent positions, plus one reimbursable position, in its Security Division.

USIA has 48 full-time permanent positions in its Office of Security.

USAID has 35 full-time permanent positions in its Office of Security.

Key Issues Considered

- **ACDA Investigations**

ACDA by law has been required to contract for personnel investigations with the successor privatized entity formerly in the Office of Personnel Management. DS will take on this responsibility with no increase in investigations staff.

- **Integrating Systems**

Because of cost, there will not be an immediate standardization of common domestic security systems. Separate systems will continue for at least 12-18 months beyond the effective date of integration. Systems in the former USIA building will gradually be converted to the State system.

- **USAID Security Office**

Because of recent Congressionally mandated changes to the structure of USAID's security function, State and AID will review their operations to determine what further coordination can be achieved.

Proposed Integration into State

There will be complete integration of the personnel and material resources of the ACDA and USIA security units into DS. All currently conduct operations in accord with the same or similar executive orders, statutes, and regulations. Individual customer demands and requirements are also similar in each agency. Personnel from each agency possess the same qualifications, experience, and security clearances.

From ACDA, four full-time permanent positions and one reimbursable one will transfer to DS, one full-time permanent position will transfer to the Bureau of Intelligence and Research, and one full-time permanent position will transfer to the Executive Office supporting the bureaus under the direction of the Under Secretary.

From USIA, 32 full-time permanent positions will transfer to DS, two to the Bureau of Administration, one to the Bureau of Information Resource Management, and 13 to the BBG.

Positive Outcomes

Reorganization will integrate the security responsibilities of two agencies into DS, making it better able to promote efficiency, ensure uniformity of standards, and provide better service. After integration is complete, DS will be able to further streamline its operations and eliminate overlapping overseas coverage.

VII. Management Functions

L. Statutory Procurement Functions

Office of the Procurement Executive (A/OPE)
and
Office of Small and Disadvantage Business
Utilization (A/SDBU)

Current Responsibilities

A/OPE is responsible for establishing overall State guidance and regulations regarding acquisition and grants policies and procedures for both domestic and overseas contracting activities in accordance with statutory and regulatory requirements.

A/SDBU is responsible for the implementation and supervision of State's procurement activities related to small and disadvantaged business and women-owned business in accordance with statutory and regulatory requirements.

USIA's Procurement Executive has similar policy responsibilities. This office also performs the SDBU function, which at State is performed by a separate office, A/SDBU. USIA's unit also has two operational functions which award and administer grants and contracts.

ACDA has an operational office and no formal policy function.

Personnel

A/OPE consists of 15 full-time permanent positions. A/SDBU consists of five full-time permanent positions.

In USIA, the Policy and Procedures Staff of their Office of Contracts has four full-time permanent positions, which perform both the acquisition and grant policy function and the SDBU function.

ACDA has no formal policy program.

Key Issues Considered

- **Authority**

The best approach is to maintain the current centralized policy oversight system, which operates well at both agencies. The operational work of awarding and administering contracts and grants will continue to be handled within the various contracting activities.

- **Overseas**

State will continue to provide centralized acquisitions and grants expertise and training to overseas contracting and grant officers.

Proposed Integration into State

USIA's Policy and Procedure Staff will be transferred as follows: two full-time permanent positions to the Bureau of Administration (one to A/OPE and one to A/SDBU), and two full-time permanent positions to the BBG.

No staff from ACDA will be transferred.

Positive Outcomes

Enhancing efficiency, there will be one acquisition and grant policy system, and one small and disadvantaged business unit. This constitutes "one-stop shopping" for customers of these services.

VII. Management Functions

M. Training

Current Responsibilities

At State, implementation of training policies and programs is vested in the Director of the Foreign Service Institute (FSI). FSI provides language, area studies, career development and functional training to employees of State and other agencies.

USIA has a training division within its Office of Human Resources.

ACDA's Office of Personnel and General Services (A/PGS), reporting to the Director of Administration, deals with training matters. ACDA contracts with government and non-government vendors to provide training.

Personnel

State's FSI has 394 full-time permanent positions and 178 in its training complement.

USIA's Office of Human Resources devotes 16 full-time permanent positions to its training activities and has a training complement of 45.

ACDA's Personnel Office devotes less than one full person year to the training oversight function.

Key Issues Considered

Training will be a key component in the successful integration of USIA and ACDA into State. The new Division of Public Diplomacy in FSI's School of Professional and Area Studies will be charged not only with tradecraft training for public diplomacy professionals, but with assuring that an understanding of public diplomacy as a critical tool of foreign policy is reflected throughout the FSI curriculum.

Training will also be critical to addressing employees' concerns and needs for information throughout the transition process and to ensure that employees of State, USIA and ACDA have the training required to make integration succeed.

Proposed Integration into State

Thirteen USIA full time permanent positions from its Human Resources training division will transfer to FSI and one will transfer to the Bureau of Personnel. Two positions will transfer to the BBG. ACDA has no full-time trainers and no positions will be transferred. Also, one full-time permanent position will transfer to FSI from USIA's Office of Administration in its Management Bureau.

USIA training complement, equivalent to 45 full-time permanent positions, will shift to FSI.

FSI's School of Professional and Area Studies will be restructured to include a new Division of Public Diplomacy. USIA's emphasis on technology training and foreign national personnel training will continue.

Positive Outcomes

Integration of USIA and ACDA training programs into the Foreign Service Institute will ensure that foreign affairs professionals from a wide array of disciplines have increased opportunities to understand the central role of arms control, nonproliferation and public diplomacy in American foreign policy. ACDA and USIA employees joining State will have access to FSI's broad range of course offerings, including language and area studies, professional development, and management and leadership training.

Bringing former ACDA and USIA employees together in the classroom with their new State colleagues will also build a common sense of mission, professionalism, and esprit for all involved.

VIII. Reinvention

Reinvention is a fact of life at State, and a dynamic process. The Secretary has called for continual reinvention of State's operations in the face of declining budgets, increasing demands, novel challenges, and new technologies. Her confidence in the creativity of State's people - its main resource - and insistence that they be allowed to make important decisions are a firm foundation for the integration of foreign affairs agencies. With the introduction of new expertise and backgrounds, integration will be a very significant step forward in making our foreign policy more agile, coherent, and relevant for the new challenges of the 21st century.

It is commonplace to note changes in the world. But it is worth highlighting those that directly affect the context in which State operates. In the past decade, many new international actors - countries, corporations, and non-governmental organizations - have joined the international community. Subjects often hidden from international view - internal rivalries and hatred, especially - have become regular subjects of international action. Information moves faster and with fewer restrictions than ever before. Thankfully, citizens around the world have become more important than ever in the formulation, execution, and evaluation of the way governments operate.

In the last six years, State's operating budgets have declined by 17% in real terms, forcing us into a substantial and ongoing reorientation of our priorities. Our discretionary Economic Support Fund budget has been cut by two-thirds, leaving us with minimal funds to respond to unanticipated emergencies. During this time, the number of U.S. embassies has increased by 16, and State's consular workload -- which is required to protect America's borders and Americans overseas -- has increased by 22%. Meanwhile, turbulence around the world from the Balkans to the Persian Gulf to Central Africa and East Asia has generated new threats to American interests and new demands on America's international affairs resources.

The current reorganization builds on efforts undertaken throughout the 1990's to improve the efficiency and effectiveness of State operations.

These efforts include the State 2000 exercise, undertaken in 1992-93; the National Performance Review in 1993; the Strategic Management Initiative of 1995 and the creation of the Strategic Plan for International Affairs in 1997.

These initiatives reflect an ongoing, continuous effort within the Department to eliminate duplication, ensure accountability, set clear strategic goals and achieve results. They reflect, as well, the increased importance of economic and global issues, and the need to obtain and install improved information technology.

A vital lesson of the past decade is that management is a dynamic process. Plans developed one year may need to be changed as early as the next, in response to changing events.

For example, no planner a decade ago would have envisioned the need for the U.S. to open 14 new embassies within the territory of the then-still existing Soviet Union. But we have done this, in order to protect our vital security interest in preventing the spread of nuclear arms and expertise, to ensure the flow of petroleum to world markets, and to promote democratic practices, including economic reform.

In coping with change, State has not sought not so much to reinvent the wheel, but rather to find new uses for the wheels we have. In Bosnia and Herzegovina, we have developed a range of partnerships, with institutions that include NATO, the OSCE and the Office of the High Representative, to carry out the military and civilian components of the Dayton accords. In Kosovo, the OSCE is organizing a ground verification force, backed by a NATO-led extraction force, both of which complement diplomatic efforts sponsored by the Contact Group and humanitarian relief efforts provided by the UN and others.

The purpose of such arrangements is to ensure that the United States does not bear an unfair share of the costs and risks of such operations, and to take advantage of the specific capabilities different institutions are able to contribute to such missions.

We have also been retooling our normal operations. The Secretary forged a strong basis for policy reinvention by forming the Under Secretaries into a Corporate Board chaired by the Deputy Secretary, and strengthening the authority of the Assistant Secretaries to emphasize their primary policy and resource allocation role. These innovations have

fostered increased strategic vision and operational effectiveness. The introduction of strategic planning has given the Secretary a powerful new tool for aligning resources with policy and for managing government-wide efforts to achieve U.S. international affairs goals. The International Affairs Strategic Plan provides a conceptual framework of national interest and strategic goals. The new Mission Performance Plans for overseas missions and the Bureau Performance Plans for headquarters offices link resources and programs, providing better integration of U.S. activities, and building a structure for measuring performance. This new orientation to showing results is entirely consistent with the Government Performance and Results Act (GPRA).

We are also working to ensure that we have the right people and expertise in the right places overseas. The Overseas Staffing Model has helped to set priorities and define staffing levels for our posts abroad. We have expanded significantly the place of other agencies in our embassies. This expertise, whether in development, international crime, environmental matters, arms control, nonproliferation, public diplomacy, or other specialties, gives our ambassadors the tools they need to represent America adequately. The heads of these posts now are required to prepare annual mission plans that integrate all these multi-dimensional activities into a coherent strategy tied to resources. This provides for accountability.

We are changing the location and size of our missions as necessary. In several countries we have established one- or two-person posts so that American interests are represented on the ground where important decisions are made. Our presence in Banja Luka and Mostar in Bosnia has been integral to implementation of the Dayton Agreement. The Secretary has just announced the opening of a small American Presence Post in Lyon, France, to reflect U.S. interests in that important commercial center. When appropriate, we have established regional centers so that transnational issues can be handled consistently throughout affected areas rather than by officers separated by boundaries.

State has made several organizational changes which have enhanced effectiveness. The newly-created Bureau of Western Hemispheric Affairs, which now includes Canada, emphasizes the importance of NAFTA and is an example of our strengthened policy focus on global issues and economics. State has created a Chief Information Officer position and consolidated all domestic information technology (IT) personnel into the new Bureau of Information Resource

Management (IRM) under the CIO's leadership, focused on IT issues and modernization. State has improved its crisis management capabilities by combining its three separate 24-hour emergency operations centers into one, merging its security and intelligence staffs with its Operations Center to provide one central monitoring, alerting, and crisis management organization. The unified State Operations Center has strengthened links with sister centers at other government agencies to coordinate their activities and eliminate redundancies. State has worked closely with other agencies to carry out a review of the interagency crisis management process, which clarified agency roles and responsibilities for handling crises abroad.

The 1990s have also seen a steady stream of innovative management initiatives at State. The development and implementation of the ICASS system is an impressive example of State's creativity and leadership. Melding best practices and incorporating a wide range of ideas, State has built a fair, transparent system that benefits all agencies with personnel overseas. ICASS has generated much new thinking on other ways to provide improved administrative support to the overseas workforce. State has reached out and joined forces with other foreign affairs agencies, offering to share its contracts and support structures, in order to consolidate overlapping administrative support functions. These efforts have succeeded, achieving significant efficiencies. State, ACDA, USIA and USAID now share a common travel management contract, while State, USIA and USAID use the same contracts for packing, storing and shipping household effects for employees transferring abroad. State's transportation division provides cost effective services to 30 other government agencies, using the Working Capital Fund as an effective partnering medium.

State undertook a major overhaul of its logistics system, conducting a classic reengineering effort to build a nimble structure featuring improved responsiveness and customer service. The logistics acquisition system now incorporates electronic commerce, eliminating paper transactions and reducing processing time for some procurement actions from two weeks to one day. State has established an Internet acquisition website, which offers the vendor community information on worldwide procurement opportunities at State and provides procurement guidance to vendors and contracting officers alike.

State has revitalized its capital planning process for facilities, a critical high-cost support area. Its asset

management program identifies surplus overseas properties for sale, generating capital to construct new facilities. To keep those facilities in order, State has established a professional facilities maintenance program to meet the challenge of providing safe, operational facilities in difficult security environments. Emphasis on energy efficiency has translated into significant cost avoidance at our high energy-consumption posts.

Domestically, State has pursued a facilities plan to consolidate its operations in the Foggy Bottom area. By acquiring less expensive office space adjacent to Main State, it has closed distant annexes in more expensive leased space, saving money and increasing efficiency by bringing more employees onto the Foggy Bottom campus.

Computer modernization has been a difficult issue. State began the decade with an enormous installed base of outmoded legacy systems and few resources available for modernization. IRM is aggressively pursuing capital investment, desktop productivity systems and the expansion of e-mail and shared information systems. To target scarce funds most efficiently, State has introduced an IRM Program Board to screen proposed projects and has adopted an agency-wide strategy for information technology modernization called "ALMA" -- A Logical Modernization Approach. Under ALMA, State has focused on best practices and commercial off-the-shelf systems in order to achieve efficiencies at the lowest cost.

State's emphasis on innovation has realized additional benefits through new programs such as the Diplomatic Telecommunications Service Program Office's International Voice Gateway, which makes better use of State's worldwide telecommunications network to extend and improve voice capabilities at overseas posts, saving millions of dollars annually for all agencies. Another example is the Domestic Enterprise Backbone Network (E-Net), which provides voice, video and high-speed data to users at a lower cost, with improved performance, flexibility and security. E-Net is centrally managed by the IRM bureau and paid for by its customers on a fee-for-service basis.

The Consular Affairs Bureau has been highly successful in applying technology to meet the growing demand for visa and passport services. The use of visa fees, as noted above, has reduced pressure to obtain additional funding for these enhancements. Increasing the number of visa waiver countries has helped significantly in managing the workload,

and State is pursuing additional prospects for the visa waiver program consonant with border security.

Just as ICASS revolutionized the service relationship between State and other agencies overseas, increased reliance on the Working Capital Fund has brought similar dramatic change in State's domestic support structure. To improve accountability and ensure that support services were being used efficiently, State expanded the use of the Working Capital Fund (WCF) to provide a variety of services, such as motor pool, telecommunications, and publishing and graphics services. Under the WCF system, customers pay for services they actually use, instead of drawing free services from a centrally-funded provider. Introducing a supply and demand dimension has brought more efficient operations by helping service providers tailor services to areas of highest demand and making customers aware of, and responsible for, the costs of services they consume.

State has undertaken a number of personnel initiatives to improve the effectiveness and productivity of the workforce. The American Family Member Associates program, which makes greater use of the skills of Foreign Service family members at overseas posts, and increased use of local hiring programs are providing much needed support staffing at overseas missions at lower costs. The Consular Associates program is providing us with rapid reserves at our busiest consular sections. State strengthened its Foreign Service promotion precepts and renewed its emphasis on creating truly multifunctional officers to assure our Foreign Service cadre will have the depth of experience and expertise in regional, multinational and global issues as well as the resource management skills required to guide our nation's foreign policy in the 21st century. State has reinvented career development programs for its Civil Service workforce to increase training and mobility, including expanded opportunities for service at overseas posts. Chaired by the Under Secretary for Management, State's Council on Equality reflects Secretary Albright's commitment to increasing State's diversity and ensuring a fair and supportive workplace for all of State's Civil and Foreign Service employees.

The most important, and difficult, form of reinvention is cultural - a challenge to the way we operate. The Secretary has made clear that diplomacy requires outreach - far beyond the ministry buildings too often thought of as the home of diplomats. This outreach starts with the American people, who must understand the value of our foreign policy, for without their support our foreign policy cannot succeed.

Our Bureau of Public Affairs has redesigned its outreach efforts to contact opinion leaders, involved public groups, and other affected by our foreign policy.

We are also reaching for new ways to conduct policy. Around the world citizen groups and the private sector have emerged as powerful voices in diplomacy. The Secretary has insisted on finding ways to identify the concerns of those groups, work with them when consistent with U.S. interests, and communicate closely when our interests diverge so that U.S. concerns will be understood. This will require a continual commitment by State to openness, outreach, and public diplomacy. Our advances in information technology are intended to facilitate such communication; our reinvention of public affairs is meant to build on the efforts we have made; and the integration of public diplomacy will make us even more effective in achieving these goals.

IX. Implementation

Following the submission of this Report, a process and structure will be established to implement the integration of USIA, ACDA, and parts of USAID into State. The structure will include implementation teams for specific areas, a supporting infrastructure to manage the process, and a leadership group to provide strategic direction, make decisions, and set priorities. It will also provide an avenue for consultations with the Congress,

Implementation Teams

Implementation teams will be established to execute specific tasks in the integration plan. Leadership for the teams will be drawn from the responsible functional areas in the current organizations to assure that those who implement the plans will be responsible and accountable for the results. (For example, a senior member of the Director General's staff will chair the human resources team; a senior member of the Bureau of Administration's staff will head the facilities team.) The first task for each team will be to develop a detailed action plan and timeline for implementation.

Special Coordinator for Reorganization

An Office of the Special Coordinator for Reorganization will be established to provide the infrastructure for the implementation process. The Coordinator will have overall responsibility and will chair the Reorganization Coordinating Committee (see below). Day to day operations will be under the direction of a Deputy Coordinator assisted by a small staff which will facilitate the work of the implementation teams and identify issues that require resolution. The Special Coordinator's staff will also include a communications unit which will serve as the focal point for outreach to headquarters and field personnel to ensure that implementation of the reorganization plan is conducted in a transparent, open environment. The unit will regularly seek feedback from employees about issues of particular concern. The Coordinator and Deputy Coordinator will work closely with the respective legislative affairs, public affairs, personnel, legal offices, and others, will respond to Congressional interests, as well as those of other agencies and the public, as implementation moves forward.

The Special Coordinator's Office will coordinate all implementation tasks, direct production of a master action plan, and maintain master and project timelines. This office will coordinate among functional area responsibilities (e.g., space or payroll) to ensure orderly integration action among the different implementation tasks, track progress toward milestones, ensure best practices are considered, and identify any roadblocks to implementation.

Coordinating Committee

A Coordinating Committee, chaired by the Special Coordinator, and composed of Assistant Secretary-level officials from each of the agencies, will provide strategic direction. The Committee will provide appropriate senior level support in resolving issues and keeping the integration effort on schedule. The Chair will report regularly on the integration effort to the Corporate Board.

Timeline

ACDA: All personnel (American and foreign national; full-time, part time, intermittent, temporary, when actually employed; and detailees) and funding related to ACDA integration will be transferred on April 1, 1999. Given the relatively small size of ACDA, and the fact that its personnel operate under Civil Service regulations, we expect that we will need to make only minor readjustments after that date. Implementation of office space changes will take longer but will be resolved before December 31, 1999, when the General Services Administration is scheduled to begin renovation of the space that ACDA currently occupies in the old wing of the State complex.

Overseas, on April 1, 1999, ACDA negotiating personnel will become State employees and will continue to operate as delegations to their respective entities, with administrative support assumed, to the extent that it is not already, by State administrative sections in the embassies or missions in the host cities.

USIA: All personnel (American and foreign national; full-time, part time, intermittent, temporary, when actually employed; and detailees) and funding related to USIA integration will be transferred by October 1, 1999. Differing Foreign Service regulations and policies will be conformed. Payroll, accounting and personnel systems will be coordinated. All personnel will be reassigned to positions in the new State organizational structure or the

Broadcasting Board of Governors. During the six months that follow (October 1, 1999 to March 30, 2000), some personnel adjustments may be needed to provide for a more efficient and effective operation.

Given the overall shortage of office space in Foggy Bottom, and the upcoming renovation of the Main State complex, it will be some time before all current USIA program personnel can be relocated to Main State. Implementation will concentrate on establishing the office of the Under Secretary, combining Executive Secretariat functions, and relocating USIA area office personnel and other public diplomacy personnel who will be attached to State's functional bureaus to Main State. Efforts will also commence to relocate USIA management personnel to Main State and the various State annexes and support facilities where parallel functions are currently carried out, both in the Washington area and elsewhere in the United States and overseas.

Overseas, on October 1, 1999, USIS personnel will become part of the responsible State bureau for their respective operation, and will become part of the State contingent of the embassy, mission, or consulate where they are located, or continue to operate Branch Public Affairs offices where there is no State entity present. Those engaged in programmatic activities will become members of public diplomacy sections. Those engaged in basic administrative operations will be assigned to State administrative sections. Given the relatively large number of foreign national employees involved, and the fact that many now perform multiple duties on behalf of USIS, or operate and maintain equipment that is not common with State, minor additional staffing adjustments for foreign national employees can be anticipated over the next several years as restructuring and retirements occur, and equipment changes.

Also, on October 1, 1999, USIS regional and support operations will transfer to State. Such operations will remain intact or become part of one of State's regional support operations. Though no major changes are anticipated, minor adjustments in regional responsibilities and locations may occur as part of integration during the next two or three fiscal years.

Conforming changes will be made as appropriate to any orders or directives, including regulations, that may be required to carry out the integration.

X. Other Reporting Requirements

Recommendations for Legislation Necessary to Carry Out Changes Relating to Personnel and Incidental Transfers

The Act provides broad authorities to State for transfers of personnel and incidental transfers in connection with reorganization. To date, State has not identified any need for additional legislation necessary to carry out the changes set forth in the Act with respect to personnel and incidental transfers.

Additional Reporting Requirement On Funding For Public Affairs And Public Diplomacy Programs

Pursuant to Sec. 1333 (d) of *The Act*, the following additional information is provided:

- (1) \$9,860,000 was obligated by the Department of State for public affairs programs during fiscal year 1998, and on the personnel and support costs for such programs. As of September 30, 1998, \$9,058,000 was expended.
- (2) \$1,129,067,000 was appropriated to USIA for its public diplomacy programs during fiscal year 1998, and on the personnel and support costs for such programs. As of September 30, 1998, \$1,095,127,000 was obligated and \$851,859,000 was expended.
- (3) In FY 2000, USIA public diplomacy programs and related program support functions will be merged with the Department of State. The President's budget for FY 2000 requests \$696,320,000 for former USIA public diplomacy activities. Of this amount, \$233,320,000 is requested for bureaus and offices directly conducting former USIA public diplomacy activities, and \$257,700,000 is requested for educational and cultural exchange and information activities. Other supporting resources will be aligned to functions directly related to regional, functional, and management staffs and bureaus of the Department. For former USIA public affairs activities that will be merged with the

Department's Bureau of Public Affairs, the FY 2000 request seeks \$6,545,000. Funds to be transferred from USIA for public diplomacy programs will be transferred effective October 1, 1999 and will consist of unliquidated balances and unobligated balances for no-year and multi-year appropriations.

The BBG will submit its own fiscal year 2000 budget.

